

Tuesday, March 13, 1956

# LOK SABHA DEBATES

(Part I—Questions and Answers)

VOLUME I, 1956

(17th February to 15th March 1956) .



सत्यमेव जयते

TWELFTH SESSION, 1956

(Vol. I contains Nos. 1 to 20)

LOK SABHA SECRETARIAT  
NEW DELHI.

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# LOK SABHA DEBATES

## (Part I—Questions and Answers)

25.03.2015

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### LOK SABHA

Tuesday, 13th March, 1956

*The Lok Sabha met at Half Past Ten of the Clock.*

[MR. SPEAKER in the Chair]

### ORAL ANSWERS TO QUESTIONS

#### NATIONAL CONSTRUCTION CORPORATION

**\*646. Shrimati Renu Chakravartty:** Will the Minister of Irrigation and Power be pleased to state the progress so far made in the proposal to set up a National Construction Corporation to effect economy in construction and to carry out construction programmes expeditiously?

**The Deputy Minister of Irrigation and Power (Shri Hathi):** The *ad hoc* departmental Committee set up by Government are working out the details of the scheme in the light of the views expressed at the meeting of the Co-ordination Board of Ministers for river valley Projects held in October, 1955.

**Shrimati Renu Chakravartty:** May I know if there is any proposal for the setting up of a National Construction Corporation which will be evolving some scheme for the setting up of a permanent cadre for dam and barrage building?

**Shri Hathi:** That Corporation will undertake the work of construction only. For that purpose they would naturally require technical personnel. For that they will take into consideration the overall requirement by it for the construction of these dams, etc.

**Shrimati Renu Chakravartty:** What will be the exact function and the set-up of this National Construction Corporation?

**Shri Hathi:** That has been referred to the *ad hoc* Committee, but I may say that it will be solely a constructing agency.

**Shrimati Renu Chakravartty:** Are we to take it that this constructing agency will only deal with the care of machinery and not of personnel, or will it deal with both?

**Shri Hathi:** It will deal with construction, not only the machinery but also the construction. And for that purpose, whatever personnel is required, they will deal with it. But that is in a preliminary stage. We have not decided whether this Corporation should take up all the works in the country or should start only with a limited scope in the beginning, that is two or three major projects and not the whole country.

**Shri T. S. A. Chettiar:** May I know whether the examination of economy is only with regard to rural housing or with regard to the big buildings that we are building, costing one, two or three crores of rupees in New Delhi?

**Shri Hathi:** It is only with regard to river valley projects; it is not with regard to rural housing or other houses.

**Shri V. P. Nayar:** May I know whether it will undertake extensive research in the use of concrete in dams?

**Shri Hathi:** No, Sir.

#### SALAM SHAHI INDUSTRY.

**\*649. Shri Krishnacharya Joshi:** Will the Minister of Production be pleased to state:

(a) whether Government have given financial assistance to the Salam Shahi Industry in Raichur and Bidar in Hyderabad State; and

(b) if so, the total amount given?

**The Deputy Minister of Production (Shri Satish Chandra):** (a) and (b). Financial assistance to the extent of Rs. 18,450 has been given to Salam Shahi Industry in Raichur District.

**Shri Krishnacharya Joshi:** May I know what was the purpose for which financial assistance was given and how many persons were trained?

**Shri Satish Chandra:** Sixteen persons are under training in a centre established there. The loans and grants have been given for purchase of raw materials, award of stipends to the trainees, working capital etc.

**Shri Krishnacharya Joshi:** May I know why financial assistance was not given to Bidar?

**Shri Satish Chandra:** A scheme for Raichur district only was received from the Hyderabad Government.

**Shri Krishnacharya Joshi:** May I know the total amount spent so far?

**Shri Satish Chandra:** The training has not yet been completed. The stipends are being given. We have not got the latest figures.

**Shri Mohiuddin:** May I know whether any research has been undertaken to improve this Salam Shahi industry?

**Shri Satish Chandra:** This is done under the auspices of the State Government. We only give grants and loans whenever certain schemes are sent to us. There is a State Board under the Hyderabad Government which looks after the development of handicrafts.

**Shri B. S. Murthy:** What steps are being taken to see that these trainees will be provided with employment after they are trained?

**Shri Satish Chandra:** There is no question of providing employment; they will be self-employed workers.

#### INDUSTRIAL POLICY DECLARATION

**\*650. Shri S. C. Singhal:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether the Industrial Policy Declaration of 1948 still holds good when Government have accepted the socialistic pattern of society; and

(b) whether Government have any intention of changing it under the present changed circumstances?

**The Minister of Industries (Shri Kanungo):** (a) and (b). The Industrial Policy Statement of 1948 is now being examined with a view to issuing a revised statement of industrial policy.

**Shri S. C. Singhal:** May I know how much time it will take?

**Shri Kanungo:** Presumably two months.

**Shrimati Renu Chakravartty:** May I know on what lines this revision is going to take place and whether any outline has been put before whatever committee is re-examining it, by the Cabinet or by any other body?

**The Minister of Commerce and Industry and Iron and Steel (Shri T. T. Krishnamachari):** The committee which is looking after this has an outline before it. But if the hon. Member wants to know more about it, I am afraid she will have to wait till the statement is issued.

**Shri Joachim Alva:** Has Government any idea of including the production of paper in the public sector, especially in view of the fact that large amounts have been given over to the Madhya Pradesh newsprint factory?

**Shri T. T. Krishnamachari:** I suggest that the hon. Member should wait and see.

**Shri M. L. Dwivedi:** May I know the names of the personnel of the Committee?

**Shri T. T. Krishnamachari:** It is merely an official committee consisting of representatives of various Ministries and the Planning Commission.

**Shri S. L. Saksena:** Are labour interests also consulted about it?

**Shri T. T. Krishnamachari:** No, not at this stage.

**Shri N. M. Lingam:** May I know the specific objectives with reference to which the revision of policy is being considered?

**Shri T. T. Krishnamachari:** The specific objective is to make the policy to be in tune with the policy of the Government.

**Shrimati Renu Chakravartty:** In view of the fact that a Consultative Committee of Parliament on Planning also had this particular Industrial Policy before them when they placed their opinions on the Draft Memorandum on the Five Year Plan, could I know if whilst re-examining the Industrial Policy statement of 1948 the general trend of discussions in that Consultative Committee will also be taken into consideration?

**Shri T. T. Krishnamachari:** So far as I am concerned I can only give an assurance that this House will certainly have a voice in the final determination of the policy. When we issue a statement and the House objects to it—may be the objections are in regard to particular sections of the statement—it will certainly be taken into account. But anything beyond that I am unable to commit the Government at this stage.

#### IRON AND STEEL

**\*653. Shri Jethalal Joshi:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether iron and steel are the controlled commodities at present;

(b) whether it is a fact that such a control has brought hardship to the manufacturer of small scale industries; and

(c) if so, what steps Government propose to take to obviate this hardship?

**The Minister of Industries (Shri Kanungo):** (a) Yes, Sir.

(b) No, Sir.

(c) Does not arise.

**An Hon. Member:** Question No. 652 has not been put.

**Mr. Speaker:** I am sorry, I will come to it after this.

**Shri Jethalal Joshi:** May I know if the prices of iron and steel have gone up after the imposition of controls and, if so, by how much?

**Shri Kanungo:** The price has not gone up because the price is controlled.

**Shri V. P. Nayar:** May I know whether it is not a fact that iron and steel is very often issued to manufacturers without any *bona fides*, the result being that *bona fide* manufacturers do not get their supplies as required for purposes of manufacture?

**Shri Kanungo:** The assumption of the hon. Member is not correct.

**Shri Jethalal Joshi:** Has the attention of the Government been drawn to the remarks made by Mr. Kruschev during his tour in India to the effect that there is excessive and extravagant use of iron and steel in construction work and that the construction work can be carried on by the use of stone, cement and such other materials and thereby large economy in iron and steel can be effected; and, if so, may I know what steps Government have taken in this direction?

**The Minister of Commerce and Industry and Iron and Steel (Shri T. T. Krishnamachari):** These remarks will certainly be noted and we are very grateful for these remarks. We have a Section of the Indian Standards Institution engaged in trying to devise methods to economise the use of steel in construction.

**Shri Bogawat:** May I know whether Government is aware that there is great hardship on account of control, that iron and steel is not available for many months because of blackmarket and other practices going on, that many people are not able to get steel.....

**Mr. Speaker:** The question should be short and should relate to one matter.

**Shri Bogawat:** There is great hardship on account of blackmarket because of controls. That is my question.

**Shri T. T. Krishnamachari :** Government recognise that there is shortage. Shortage does cause inconvenience to a number of people. What we are trying to endeavour is to see that this shortage is in part removed by the import of steel. As I have mentioned on a previous occasion, I do expect that during the latter half of this year, we may be able to produce steel from imported stocks which will mitigate these grievances to some extent.

**Shri V. P. Nayar :** The hon. Minister said that my assumption was not correct. May I know whether Government has any specific machinery to find out how much of the iron and steel supplied on the application of the so-called *bona fide* manufacturers is used and may I also know....

**Mr. Speaker :** One question at a time.

**Shri V. P. Nayar :** .... how much is given for small-scale industries?

**Mr. Speaker :** Order, order. I have been repeatedly saying, one question.

**Shri T. T. Krishnamachari :** Government machinery such as it is, does give us this information. Apparently, the hon. Member knows more about it. If he knows more about it, we always welcome any addition to our knowledge. If the hon. Member will let me have a note, I shall be grateful.

**Mr. Speaker :** Next Question: Shri M. R. Krishna.

**श्री बिभूति मिश्र :** अध्यक्ष महोदय, मेरा प्रश्न नंबर ६५२ नहीं पुकारा गया जब कि मैं हाज़िर हूँ।

**Mr. Speaker :** Question No. 652.

#### THE WRITINGS OF MAHATMA GANDHI

\*652. **Shri Bibhuti Mishra :** Will the Minister of Information and Broadcasting be pleased to state :

(a) whether Government so far have collected all the writings of Mahatma Gandhi ; and

(b) if so, whether Government contemplate publishing all those writings for sale to public at large in all the regional languages?

**The Minister of Information and Broadcasting (Dr. Keskar) :** (a) and (b). It has been decided to bring out a complete collection of Mahatma Gandhi's writings, speeches and letters and steps are being taken to collect all the material for this purpose. The collection will be issued in three series—(i) in the languages in which Mahatma Gandhi wrote ; (ii) in English ; and (iii) in Gujarati and Hindi.

**श्री बिभूति मिश्र :** क्या सरकार देश की विभिन्न स्थानीय भाषाओं में महात्मा गांधी के सभी लेखों का सस्ते दामों में छपवा कर जनता में बिक्री के लिये लाने का विचार कर रही है ?

**डा० केशकर :** जैसा कि मैंने अभी कहा, इस वक्त जो प्रस्ताव है वह तो हिन्दी, गुजराती और अंग्रेजी में छापने का है लेकिन आगे चलकर गांधी जी के जो सब लेख आदि हैं, उनको दूसरी प्रादेशिक भाषाओं में भी निकालने के लिए सोचेंगे, लेकिन अभी तक इस बात पर नहीं सोचा गया है।

**श्री बिभूति मिश्र :** क्या सरकार इसका खयाल रखेगी कि जैसे महात्मा गांधी ने विद्यार्थियों के बारे में लिखा है, किसानों के बारे में लिखा है, मजदूरों के बारे में लिखा है, व्यापारियों के बारे में लिखा है और नैतिकता आदि के बारे में लिखा है, उन सब लेखों को इकट्ठा करके और उनकी किताबें छपवा करके जनता में बेचेगी ?

**डा० केशकर :** अभी जो प्रस्ताव है उसके अनुसार गांधी जी के सब लेख क्रमानुसार प्रकाशित करने का विचार है।

**Shri D. C. Sharma :** May I know what machinery has been set up for the compilation of these writings and for the publication of these writings?

**Dr. Keskar :** Publishing is being done by the Government under the guidance of a Committee of which Shri Morarji Desai, Chief Minister of Bombay, is the Chairman.

**श्री रघुनाथ सिंह :** एशिया की अन्य भाषाओं में भी क्या उन लेखों का अनुवाद होगा जैसे कि स्पामीज़, चाइनीज़, जापानी और कम्बोडियन आदि भाषाएं हैं ?



**डा० केशकर :** अपने यहां की प्रादेशिक भाषाओं में अनुवाद करने का सवाल तय हो जाने के बाद एशिया की विभिन्न भाषाओं में उन लेखों का अनुवाद करने के प्रश्न पर विचार किया जायगा ।

#### TEA INDUSTRY

**\*655. Shri D. C. Sharma :** Will the Minister of Commerce and Industry be pleased to state:

(a) whether there has been a crisis recently in the Amritsar Tea Industry; and

(b) if so, the causes thereof?

**The Minister of Commerce (Shri Karmarkar) :** (a) No, Sir. Not to our knowledge.

(b) Does not arise.

**Shri D. C. Sharma :** Is it a fact that the export trade which had been undertaken by the Amritsar tea merchants has undergone great decline and they have refused to export tea this time?

**Shri Karmarkar :** The difficulty in Punjab particularly has not arisen on account of export quotas being affected. Recently we took measures for the standardisation of tea and this has, it appears, adversely affected the export of green tea. Pending fixation of such standards for green tea, we have advised the Punjab Government not to take any penal action in the matter.

**Shri D. C. Sharma :** What measures did the Government of India take for the standardisation of tea? Why have they affected the merchants badly?

**Shri Karmarkar :** Our standards normally applied to black tea. The standards fixed for black tea are not necessarily suitable for green tea. Therefore, as I said, some difficulties have arisen. We are trying to lay down suitable standards. In the meantime, we have advised the Punjab Government not to take penal action in the matter.

#### DISPLACED PERSONS IN MIKIR HILLS DISTRICT

**\*656. Shri S. C. Samanta :** Will the Minister of Rehabilitation be pleased to state:

(a) whether 2,000 refugee families who had rehabilitated themselves in Mikir Hills District (Assam State) were asked to demolish their houses and vacate lands by January 7, last;

(b) whether similar eviction notices were served on them in 1953 and 1954 but were later stayed; and

(c) if so, what steps Government propose to take to regularise those colonies or to give them substitute land and sufficient compensation for building houses?

**The Minister of Rehabilitation (Shri Mehr Chand Khanna) :** (a) 2141 displaced families who had encroached on land in Mikir Hills have been served with eviction notices.

(b) Yes.

(c) The question of regularisation of the holdings and payment of compensation for the houses built by them does not arise as they are encroaches and are liable to eviction under the law.

Efforts are, however, being made to find land and to provide employment to the displaced persons affected by the eviction order.

**Shri S. C. Samanta :** May I know who is the owner of the land that has been occupied by the refugees?

**Shri Mehr Chand Khanna :** The tribal people. It is an autonomous hill area.

**Shri S. C. Samanta :** Since when have these refugees built their houses and have been living there? Why were not notices served?

**Shri Mehr Chand Khanna :** These houses have been in existence for some years. Two or 3 years ago, a survey was undertaken when it was found that about 565 families were eligible. They are not being disturbed. The rest of the families, according to our information, are not eligible

and they will be affected. Even regarding them, I had a discussion with the Rehabilitation Minister of Assam last month, and I told him that everything possible may be done in their case also in the matter of finding alternative land and some kind of employment.

**Shri S. C. Samanta :** May I know what is the opinion of the All-Assam Refugee Association and whether they have forwarded any suggestion in the matter?

**Shri Mehr Chand Khanna :** I deal with facts. Those who are eligible, they are being provided with accommodation even in the hill area itself. Even as regards those who are not eligible, we will be prepared to consider their case.

**Shrimati Renu Chakravartty :** The hon. Minister says that he has recommended that land should be given even to those who are not eligible. May I know whether they will also be given some sort of a house building loan?

**Shri Mehr Chand Khanna :** I said that their case should also be considered. There is no question of any recommendation. Our idea is, if they are eligible, they are displaced persons and they are there for a number of years. By removing them, it is going to cause a certain amount of disturbance. We will consider the grant of lands as well as provision of gainful employment in each case.

**Shri Jaipal Singh :** What effective measures have the Government in view so that there is no further encroachment of this type which displaces and upsets the rights of the tribal people there?

**Shri Mehr Chand Khanna :** I was told when I was there in Assam last month that the hill people are very vigilant and they are zealous of their rights and they do not allow any encroachment.

**Shri K. P. Tripathi :** Is it a fact that the rules regarding the tribal belt apply not merely against the refugees, but also against other people?

**Shri Mehr Chand Khanna :** It is a fact that amongst the 2141 families, there are some who are not displaced persons.

#### ATOMIC REACTOR

**\*658. Shrimati Ila Palchoudhury :** Will the Prime Minister be pleased to refer to the reply given to Starred Question No. 737 on the 12th December, 1955 and state:

(a) whether the Canadian Experts have since arrived in India in connection with setting up an Atomic Reactor; and

(b) if so, whether work on it has begun?

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru) :** (a) and (b). Yes.

**Shrimati Ila Palchoudhury :** Do these experts train Indians during their stay in this country?

**Shri Jawaharlal Nehru :** Yes. Indians will be trained here. Indians are being sent to Canada also to be trained for this particular purpose.

**Shrimati Ila Palchoudhury :** May I know where this reactor is going to be located?

**Shri Jawaharlal Nehru :** I think round about Bombay.

**Shri D. C. Sharma :** There are many types of reactors. May I know whether any expert committee has examined which kind of atomic reactor would suit India?

**Shri Jawaharlal Nehru :** What does the hon. Member want?

**Mr. Speaker :** He says there are many kinds of reactors. Has this committee examined as to which kind of reactor would be suitable to our country?

**Shri Jawaharlal Nehru :** Which committee?

**Shri D. C. Sharma :** There are many types of reactors in this world.

**Mr. Speaker :** Which is that committee?

**Shri D. C. Sharma :** My question is if it has been examined which type of atomic reactor would suit India.

**Shri Jawaharlal Nehru :** A little knowledge, Sir, is a dangerous thing. If the hon. Member is interested in this question, he can get plenty of literature to acquaint himself further about it.

We are building what is called a swimming pool reactor. Now, all these are research reactors, of course, and this is likely to be functioning by June this year. This particular reactor which the Canadian Government is setting up here in co-operation with our Atomic Energy Commission is called NRX type of reactor. It is a much bigger thing and much more complicated thing and likely to be greatly helpful in our research work.

#### ECAFE

**\*660. Shri Gidwani :** Will the Minister of Commerce and Industry be pleased to state:

(a) the total expenditure incurred by Government on the holding of the session of the Economic Commission for Asia and Far East in Bangalore;

(b) the total number of delegates and the names of the countries represented; and

(c) whether the report of the Conference will be placed on the Table?

**The Minister of Commerce (Shri Karmarkar :** (a) Accounts relating to the expenditure incurred on the Conference have not yet been finalised.

(b) A list showing the total number of delegates and names of countries represented is placed on the Table of the House. [See Appendix IV, annexure No. 6.]

(c) Yes, Sir; as soon as the final report is received.

**Shri Gidwani :** May I know which Ministries of the Government were represented at the conference and what was the number of delegates

and advisers present in the conference from each Ministry?

**Mr. Speaker :** Such details may be part of the question, and if a number of details are asked, it may be made an unstarred question, instead of spending the time of the House.

**Shri Karmarkar :** I think that would be right, Sir.

**Shri Gidwani :** Has the attention of the Government been drawn to a news item in the press that an army of officers was sent there and the work in the Government must have suffered? That is why I put that question.

**Shri Karmarkar :** There was no army there, but then we took a sufficient number of officers adequately to represent the various aspects of the matter that were to be discussed at the conference.

**Shri Kamath :** Is there any machinery to ensure that the Governments of the participating countries implement or give effect to the resolutions or proposals adopted by the ECAFE from time to time, and if so, what is that machinery?

**Shri Karmarkar :** I think it might serve a useful purpose if I forward to the hon. Member the basic literature on the subject. There is no question of compulsory implementation. There is no binding. It is a deliberative conference, and Governments come up with their views regarding questions that arise in respect of the common developmental problems concerning Asia. That is the purview of the conference. There is nothing like a binding resolution.

**Shri K. C. Sodhia :** What are the specific proposals that the Government of India made at this conference?

**Shri Karmarkar :** Various subjects arose concerning the development of industry, development of trade and allied subjects. For each conference there is an agenda fixed by the conference and the deliberations of the conference are concerned with the items of the agenda. If my hon.

friend is interested, I shall send him a copy of the agenda of the last conference.

**Shri B. S. Murthy :** May I know whether there were any conventions adopted at this conference, if so, whether these conventions besides the resolutions are binding upon the participating countries?

**Shri Karmarkar :** As I have said, there are no conventions as in the I. L. O. for instance, which any country can adopt and things like that. This is much in the nature of an exploratory conference, a deliberative conference. Problems like water resources in Asia or particular countries, development of inter-regional trade etc., come up before the conference and useful discussions take place. Each country makes its own contribution and ultimately, if there is a consensus, certain resolutions are passed expressing the consensus of the conference and placing on record the opinion of the conference regarding certain subjects.

#### SURVEY REGARDING OBJECTIONABLE PRESS MATTER

**\*661. Shri Wodeyar :** Will the Minister of Information and Broadcasting be pleased to state :

(a) whether it is a fact that the Directorate of Advertising and Visual Publicity recently conducted a survey about objectionable press matter ;

(b) the number of languages in which the survey was conducted and also number of such languages which were excluded from this survey ; and

(c) the purpose thereof?

**The Minister of Information and Broadcasting (Dr. Keskar) :** (a) There was no survey conducted about objectionable matter. There was a survey of objectionable advertisements in the press.

(b) 14, including English. Excepting Kashmiri, no language mentioned in the Eighth Schedule to the Constitution was excluded.

(c) It was a fact-finding survey for assessing the extent and variety of objectionable advertisements in the country and was intended to provide factual material for helping in the drafting of a Code of Ethics by the proposed Advertising Council.

**Shri Wodeyar :** How many persons were appointed for this purpose, and what is the total cost involved?

**Dr. Keskar :** It will be difficult for me to give the names of the persons employed, but a sum of about Rs. 4,000 was sanctioned for the survey.

#### BUILDING MATERIALS SHORTAGE IN DELHI

**\*663. Shri Gadilingana Gowd :** Will the Minister of Works, Housing and Supply be pleased to state :

(a) whether it is a fact that in Delhi and New Delhi the construction of a large number of private houses has been suspended owing to the shortage of building material, steel and cement and the progress of Government buildings including major building projects, has considerably slowed down; and

(b) if so, the names of such Government buildings as are likely to be affected?

**The Parliamentary Secretary to the Minister of Works, Housing and Supply (Shri P. S. Naskar) :** (a) The progress of private houses as also the Government buildings has slowed down due to the shortage of steel and cement.

(b) The list of some of the important Government buildings the progress of which has been hampered is laid on the Table of the House. [See Appendix IV, annexure No. 7.]

**Shri Gadilingana Gowd :** What are the reasons for this shortage in building materials like steel and cement? And I want to know the total loss the Government has incurred on account of the stoppage or slowing down of the construction of these Government buildings.

**Shri P. S. Naskar :** As regards the first part of the question, due to so many major projects under construction, the increased demand for steel and cement without corresponding increase in production has resulted in the short supply of the same. As regards the latter part of the question, I require notice.

**डा० एस० एन० सिंह :** अभी जो सिमेंट और लोहे का आयात बाहरी देशों से किया जा रहा है, उस का मकानों के निर्माण पर क्या असर पड़ेगा ?

**Shri P. S. Naskar :** The question may be put to the Commerce and Industry Ministry.

**वाणिज्य मंत्री (श्री करमरकर) :** लोगों को ज्यादा सिमेंट मिल सकेगा ?

**Shri Gadilingana Gowd :** May I know if the Government has taken any steps to request any foreign country to supply these building materials?

**Shri P. S. Naskar :** The question may be put to the Commerce and Industry Ministry.

**Shri Joachim Alva :** Item 6 of the statement put before the House is "Residential flats for officers drawing Rs. 55 to Rs. 499." Why does Government not give priority for such officers instead of giving preference to the other items?

**Shri P. S. Naskar :** At the moment three buildings have been given top priority, namely the conference hall in King Edward Road, the hostel at Jan Path and the office building at King Edward Road. These have been given the highest priority.

**Shri Bhagwat Jha Azad :** In the background of the large number of constructions both in the Government and private sectors, has any percentage of building materials been fixed to be diverted for such constructions?

**Shri P. S. Naskar :** This question is for the Ministry of Commerce and Industry to answer.

#### INDONESIAN DELEGATION

\*664. **Shri Bishwa Nath Roy :** Will the Minister of Commerce and Industry be pleased to state whether it is

a fact that a delegation from Indonesia recently visited India for the purchase of textile goods?

**The Minister of Commerce (Shri Karmarkar) :** No officially sponsored delegation from Indonesia visited India recently for the purchase of textile goods. I should like to add that I understand that a four-man unofficial delegation sponsored by the Federation of Indonesian *Batik* Co-operatives came here with a view to examine suitable types of cloth for importing into Indonesia for the *Batik* industry.

**Shri Bishwa Nath Roy :** Is there any chance of improvement in the export of Indian textile goods to Indonesia after the visit of the delegation?

**Shri Karmarkar :** Yes. During the last year, exports to Indonesia have been promising, and I do think that as a result of the visit of this delegation, we will add something to it, so that more cloth may go to Indonesia. It is likely.

**Shrimati Ila Palchoudhury :** May I know whether any survey has been made about the type of cloth and the type of textiles that Indonesia and places like that wish to import from India?

**Shri Karmarkar :** We know broadly the types of cloth required for Indonesia and other countries. This delegation came in for cloth suitable for *Batik* which is a wax-printed cloth, which is largely used for women's apparel in Indonesia.

**Shrimati Renu Chakravartty :** May I know the total quantity of cloth exported to South-East Asia during the last two years?

**Shri Karmarkar :** I think the relevant figures will be found in suitable publications available in the library, but so far as Indonesia is concerned, I have got the figures. In 1955, up to November, the quantity of cloth exported from India was 87.19 million

yards as against 32 and odd million yards in 1954, and 34 and odd million yards in 1953.

**सेठ गोविन्द दास :** यह जो इंडोनेशिया को कपड़ा गया है, इसका अभी आपने नाप बतलाया। क्या मैं जान सकता हूँ कि इसकी झंदाजन कीमत कितनी थी ?

**श्री करमरकर :** जो कपड़ा १९५५, १९५४ और १९५३ में भेजा गया है उसकी आप किमत पूछना चाहते हैं ?

**सेठ गोविन्द दास :** जी हाँ।

**श्री करमरकर :** यह इनफार्मेशन मेरे पास अभी नहीं है।

#### INTERNATIONAL ATOMIC ENERGY AGENCY

**\*665. Sardar Iqbal Singh :** Will the Prime Minister be pleased to state the progress made in regard to the establishment of International Atomic Energy Agency for the peaceful and constructive uses of atomic energy?

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** A preparatory meeting in regard to the establishment of the International Atomic Energy Agency was held in Washington on the 14th of November, 1955 to agree upon the agenda and rules of procedure for the working level meeting. The Working Level Meeting is currently meeting in Washington to consider the draft statute of the International Atomic Energy Agency. The General Conference is to meet later.

**Sardar Iqbal Singh :** May I know the names of the countries which will be associated in this Atomic Energy Agency?

**Shri Jawaharlal Nehru :** I cannot say what countries will be finally associated. That is just what they are considering. But I can say that the countries that met on the 14th November 1955,—and that are presumably meeting now,—were Australia, Belgium, Brazil, Canada, Czechoslovakia, France, India, Portugal, the Union of South Africa, The Soviet Union, the United Kingdom, and the USA.

**Sardar Iqbal Singh :** May I know whether after the establishment of this Atomic Energy Agency, there will still be agreements between one country and another for the exchange of atomic energy information and atomic energy material, or whether such exchange will be done through this Agency only?

**Shri Jawaharlal Nehru :** That is presumably what they are discussing. They have not framed their recommendations yet. The present meeting is at the working level; that is to say, whatever they decide are not really decisions; their recommendations to be considered later. Possibly, I do not suppose all bilateral arrangements will be ruled out; I suppose there will be some bilateral arrangements still.

**Shri Kasliwal :** A few weeks back, President Eisenhower of the USA made an offer of 40 tons of Uranium to be distributed to various countries. May I know whether this Atomic Energy Agency will also be consulted?

**Shri Jawaharlal Nehru :** I cannot give a precise answer to that question. But I understand that at this working party meeting, this question was raised, and an assurance was given by the representative of the United States that this will be largely dealt with through the Atomic Energy Agency which is going to be built up.

**Sardar Iqbal Singh :** May I know whether the USSR also will be associated with this Agency, and if not, the reason therefor?

**Shri Jawaharlal Nehru :** The Soviet Union is there; she is one of the sponsors of all this, one of the major sponsors of this conference etc.

#### PILGRIMS TO WEST PAKISTAN

**\*667. Shri Ram Das :** Will the Prime Minister be pleased to state :

(a) whether it is a fact that the Pakistan's High Commissioner in India Mr. Ghazanfar Ali Khan announced on the 29th November, 1955 that pilgrims from India can now freely visit the shrines of Nankana Sahib in West Pakistan ; and

(b) if so, whether any passports are necessary for such visitors?

**The Deputy Minister of External Affairs (Shri Anil K. Chanda) :** (a) In a statement to the Press on the 29th December 1955, the Pakistani High Commissioner in New Delhi said that pilgrim parties from India would be free to undertake pilgrimages to Nankana Sahib at all times of the year without having to take prior permission from the Pakistan Government. The High Commissioner also said that there would be no limit on the maximum number of persons who could comprise a pilgrim party but that the minimum number should not be less than 10 to enable the authorities to provide necessary facilities for reception and accommodation.

(b) Pilgrims to Pakistan will require Indian passports and Pakistani visas.

**श्री राम दास :** क्या मैं जान सकता हूँ कि यह जो रियायत ननकाना साहब के मुताल्लिक है यह दूसरे धर्मों के जो पूजा स्थान हैं, उनके मुताल्लिक भी है ?

May I know whether this concession is open to the places of worship of other religions also?

**Shri Anil K. Chanda :** This is only for pilgrimages to Nankana Sahib.

**Shri Ram Dass :** May I know the special reasons why this concession has been shown only to one place of worship and not to the others?

**Shri Anil K. Chanda :** I am unable to assign any reason for this particular concession.

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru) :** It is not a question of one place ; one place was dealt with, and they gave the concession. It does not mean necessarily that the others have been excluded for the future. Each case may perhaps be taken up when it arises.

#### CEMENT FACTORY

**\*668. Shrimati Tarkeshwari Sinha :** Will the Minister of Commerce and Industry be pleased to state :

(a) whether Czechoslovakia has agreed to supply India with complete equipment for a cement factory ;

(b) if so, the terms of the agreement ;

(c) the place where the factory will be located ; and

(d) the approximate capital required for that?

**The Minister of Industries (Shri Kanungo) :** (a) to (d). There has been no such agreement on a Government to Government basis. Government have, however, been informed by Messrs. Assam Cements Ltd., Calcutta, whose scheme for establishment of a cement factory at Cherrapunji has been approved by Government, that they have entered into a purchase contract with a Trade Corporation in Czechoslovakia for purchase of cement making machinery and for assistance in its erection. The cost of capital equipment is estimated at Rs. 1 crore.

**Shrimati Tarkeshwari Sinha :** May I know what will be the approximate production capacity of the factory, when it goes into full production?

**Shri Kanungo :** It will start with a capacity of 200 tons a day, which will be doubled in course of time.

**Shrimati Tarkeshwari Sinha :** May I know whether the agreement arrived at between the two parties concerns only the supply of equipment and machinery, or whether the Czechoslovakian partly will also invest some capital in this factory?

**Shri Kanungo :** It relates only to supply of machinery.

**Shri G. P. Sinha :** May I know whether any other European country has also offered such facilities for a cement factory, and whether the Government of India have approached some of the European companies?

**Shri Kanungo :** We have not approached any country, and no one has made any offers.

**Shri K. P. Tripathi :** May I know whether the supply of equipment will

be guaranteed by Government, either Central or State?

**Shri Kanungo :** No, Sir.

**Shrimati Tarkeshwari Sinha :** May I know whether in the matter of the selection of the site, the firm consulted also the Central Government?

**Shri Kanungo :** The licence is granted by a Licensing Committee which takes into consideration all factors including the location of the site.

**Shri H. G. Vaishnav :** May I know the propriety of selecting Cherrapunji for the location of this factory?

**Shri Kanungo :** Cherrapunji is in Assam, where the demand for cement is increasing.

#### DURGAPUR STEEL PLANT

\*669. **Shri Shree Narayan Das :** Will the Minister of Iron and Steel be pleased to state:

(a) whether it is a fact that an agreement has been finalised between the Government of India and a British Company for a steel plant at Durgapur; and

(b) if so, the important features of the agreement?

**The Minister of Commerce and Industry and Iron and Steel (Shri T. T. Krishnamachari):** (a) and (b). A statement is laid on the Table of the House. [See Appendix IV, annexure No. 8.]

**Shri Shree Narayan Das :** From the statement it appears that only a broad agreement has been reached. May I know the time by which details of the agreement would be available?

**Shri T. T. Krishnamachari :** As soon as the heads of agreement are signed, I expect I shall be able to place the details of the agreement before the House.

**Shri Shree Narayan Das :** From the statement we find that a syndicate of British banks, and the Government of United Kingdom have agreed to give credits. May I know whether the terms

and conditions of repayment of this loan have been decided upon?

**Shri T. T. Krishnamachari :** Broadly, in regard to the repayment of the credit extended by British banks, they have been decided upon, but no final agreements have been arranged. So far as the British loan is concerned, the answer is, no.

**Shri Sadhan Gupta :** May I know whether participation in the capital is contemplated by any British concern in the Durgapur steel plant?

**Shri T. T. Krishnamachari :** No.

**Shrimati Renu Chakravartty :** In view of the very high bank rate prevailing in England now, have Government gone into the entire question as to whether this is the best loan agreement which we should enter into?

**Shri T. T. Krishnamachari :** It is expected that by the time we take advantage of it, the bank rate in Britain would come down.

**Dr. Rama Rao :** What is the exact rate of interest that we are agreeing to pay on this loan?

**Shri T. T. Krishnamachari :** There are two loans. One is by the bank syndicate and it would be on the basis of the bank rate plus a percentage. So far as the loan that is given by the British Government is concerned, it would be at the rate they borrow plus administrative charges.

**Shri Kajrolkar :** Is there any material difference between the Rourkela agreement and the Durgapur agreement? If so, what is it?

**Shri T. T. Krishnamachari :** The Rourkela agreement is a totally different type of agreement and therefore, it must differ in all material aspects from this.

**Shrimati Tarkeshwari Sinha :** May I know whether Government have come to any conclusion regarding the supply of tools and machinery by the British interests? If so, what will be



the percentage of that and what will be the percentage that will be supplied by inviting global tenders?

**Shri T. T. Krishnamachari:** The arrangement, if we finally conclude the agreement, which we hope we would, is a package deal with all machinery and all the necessary things that are imported supplied by this consortium.

**Shri Shree Narayan Das:** May I know whether any programme for the construction of buildings and procurement of materials etc. has been drawn up and when this plant is going into production?

**Shri T. T. Krishnamachari:** Yes, it has been drawn up and I think preparations are under way.

#### COMMITTEE TO ENQUIRE INTO THE DEATH OF SUBHAS CHANDRA BOSE

**\*670. Shri Kamath:** Will the Prime Minister be pleased to refer to the reply given to Starred Question No. 13 on the 16th February, 1956 and state:

(a) whether the composition of the Committee has been finalised;

(b) if so, the names of the Members; and

(c) when the Committee is expected to proceed on its mission?

**The Deputy Minister of External Affairs (Shri Anil K. Chanda):** (a) to (c) Yes. The Committee is expected to start work about the beginning of April. Its members are:

1. Shri Shah Nawaz Khan, Parliamentary Secretary to the Minister of Railways.

2. Shri Suresh Chandra Bose, elder brother of Shri Subhash Chandra Bose, and

3. Shri S. N. Maitra, I. C. S., Chief Commissioner, Andamans.

**Shri Kamath:** Has the attention of Government been drawn to a suggestion made in the Bengal Press that Dr. Radha Binod Pal, former member of the International Military Tribunal in Tokyo, should have been invited

or should be invited by Government to serve on this Committee?

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** Yes. We saw that. Dr. Radha Binod Pal is a very eminent person. But in this particular instance, it was thought that perhaps it would not be suitable for him to go there for this purpose. Apart from this, I believe that he is likely to be otherwise engaged.

**Shri Kamath:** Is this three-man Committee launching upon this inquiry with the conviction—or even the presumption—that Netaji is dead? Or has it got an open mind on this aspect of the matter?

**Shri Jawaharlal Nehru:** Those people who have studied this matter are convinced of the fact of the death of Netaji. But that does not mean that mind cannot be opened afresh, if necessary.

**Shri Kamath:** Will the Committee examine various persons who have made statements on this subject in recent weeks or even earlier in regard to the whereabouts or the existence of Netaji, in various parts of Asia? Will the Committee also inquire into the identity of the person whose photograph was published in the Bengal Press some weeks ago, a Mongolian delegate to Peking in 1952? The Prime Minister also admitted some resemblance to Netaji. And in view of the diplomatic relations with Mongolia recently established. ....

**Mr. Speaker:** How many questions?

**Shri Kamath:** All right.

**Shri Jawaharlal Nehru:** The Committee will work in close conjunction with representatives of the Japanese Government, and no doubt will draw up its own methods of procedure. I must say that the occasional statements that occur in newspapers are about as fantastic and as highly imaginative as any person can make them, and the story about some picture from Outer Mongolia resembling Netaji—it is not for me to say no to anything—is, I think, like talking about the moon being made of green cheese.

**Shri Kamath :** Now we have happily established relations with Outer Mongolia, are we going to request the Government of Mongolia or of China, where the delegate was supposed to have gone in 1952, to co-operate with this inquiry?

**Shri Jawaharlal Nehru :** How do we co-operate? I do not quite understand. Do we ask them to search all the monasteries in Outer Mongolia or in China or elsewhere? What is the basis for it, except that somebody says that from the photograph it appears to him that there is some resemblance?

**Shri Kamath :** This photograph was published by the Peking Workers' Press and not in India alone.

#### BONUS TO SINDRI FERTILIZER FACTORY WORKERS

**\*671. Shri Bhagwat Jha Azad :** Will the Minister of Production be pleased to refer to the reply given to Starred Question No. 1195 on the 23rd December, 1955 and state whether Government have since decided the question of giving bonus to workers in Sindri Fertilizer Factory?

**The Deputy Minister of Production (Shri Satish Chandra):** The matter is still under examination.

**Shri Bhagwat Jha Azad :** Since how long is this matter under examination? May I know whether it is a fact that the only union there, the Sindri Fertilizer Union, has agreed to postpone the strike?

**Shri Satish Chandra :** The question has been under examination for about two or three months. In the month of January, the workers threatened to go on strike if their demand for bonus was not conceded. They were informed that Government would arrive at some decision by the 31st March 1956. We have not exceeded that time-limit.

**Shri Bhagwat Jha Azad :** During this period, by what percentage the workers in the factory have carried production even beyond the target fixed by Government?

**Shri Satish Chandra :** It is true that the Sindri Fertilizer Factory has

exceeded the target fixed for this year, by a few thousand tons. As a decision on this question is likely to have repercussions on all State industrial undertakings, it is being examined as a general issue in consultation with all the Ministries concerned.

#### SMALL SCALE INDUSTRIES BOARD

**\*672. Shri Jhulan Sinha :** Will the Minister of Commerce and Industry be pleased to state:

(a) whether his attention has been drawn to the resolutions passed by the last meeting of the Small Scale Industries Board recommending certain concessions to the Small Scale Industries for their proper development; and

(b) if so, the decisions taken in respect thereof?

**The Minister of Industries (Shri Kanungo):** (a) Yes, Sir.

(b) A statement is laid on the Table of the House. [See Appendix IV, annexure No. 9.]

**Shri Jhulan Sinha :** In view of the fact that three out of the six recommendations have been accepted by the Government of India, may I enquire as to what is the reaction of the Government of India regarding the other three which have been forwarded to State Governments for their disposal?

**Shri Kanungo :** The other three recommendations mainly refer to action to be taken by State Governments. We are awaiting their replies.

**Shri N. L. Joshi :** May I know whether the Board has recommended the proposition of the Ambar Charkha? If so, have Government considered it?

**Shri Kanungo :** The report is not concerned with that particular matter.

**Shri H. G. Vaishnav :** What are the other main items in regard to small-scale industries, to which attention is drawn?

**Shri Kanungo :** The attention of State Governments has been drawn

to three recommendations of the Board about certain administrative matters.

#### GAUCHER AIRFIELD, NEPAL

**\*673. Shri Krishnacharya Joshi :** will the **Prime Minister** be pleased to state:

(a) whether it is a fact that Army Engineers' technical help was taken for the construction of a motorable road Gaucher Airfield in Nepal; and

(b) if so, the main work done by the engineers there?

**The Parliamentary Secretary to the Minister of External Affairs (Shri J. N. Hazarika) :** (a) Yes, Sir.

(b) The main works undertaken by the Army Engineers are :—

(i) Construction of Thankot-Bhainse Dhoban Road (Tribhuvan Rajpath)

(ii) Repairs to the following roads :—

(a) Amlekhganj-Bhainse Dhoban-Dhursingh.

(b) Thankot-Kathmandu and Kathmandu-Pattan.

(iii) Survey of Kathmandu-Trisuli Bazar Road.

(iv) Improvements to Gaucher Airfield.

**Shri Krishnacharya Joshi :** May I know what is the total cost of the construction and who is to bear it?

**Shri J. N. Hazarika :** The total estimated cost is Rs. 357 lakhs and the cost is to be borne by the Government of India under the Colombo Plan.

**Shri Krishnacharya Joshi :** May I know whether construction of any other airfield has been undertaken by army engineers?

**Shri J. N. Hazarika :** This is the only one.

#### COTTON TEXTILE EXPORT

**\*674. Shri S. C. Samanta :** Will the **Minister of Commerce and Industry** be pleased to state:

(a) the special steps going to be taken to promote cotton cloth exports during the Second Five Year Plan;

(b) the number of new countries expected to consume Indian Cotton Cloth in the near future; and

(c) whether any complaints have been received regarding the quality of the cotton cloth exported?

**The Minister of Commerce (Shri Karmarkar) :** (a) and (b). A statement is laid on the Table of the House. [See Appendix IV, annexure No. 10.]

(c) Yes, Sir.

**Shri S. C. Samanta :** May I know whether the overseas offices will be separately opened or are they to be attached to the Embassies in different countries?

**Shri Karmarkar :** I am not sure of the technical position that will exist; but, surely, any operational agency that we establish outside for the promotion of exports will have a good liaison with the Embassy in that particular country.

**Shri S. C. Samanta :** May I know whether the officers that have been appointed will attend all the international exhibitions that are held?

**Shri Karmarkar :** If they are requested and if they have time.

**Shri Shree Narayan Das :** May I know whether any efforts have been made to face the competition from Japan in regard to export of cotton cloth?

**Shri Karmarkar :** Our principal competitor in the Asian market is Japan, as my hon. friend knows, and the Export Council that has been recently set up for textiles is taking steps. They have recently sent a delegation to some of the countries including Burma and others and they are having other measures also like inspection here prior to export.

### BHADRA PROJECT

\*676. **Shri Wodeyar**: Will the Minister of **Irrigation and Power** be pleased to state:

(a) the total amount of central loan given to the Bhadra Project of the Mysore State; and

(b) what is the total acreage of land that has been brought under irrigation by this Project?

**The Deputy Minister of Irrigation and Power (Shri Hathi)**: (a) A sum of Rs. 200 lakhs has so far been sanctioned as Central Loan to the Govt. of Mysore for the Bhadra and Nugu Projects.

(b) Nil, so far.

**Shri Wodeyar**: May I know when this project would be completed and what is the share of the Mysore Government in the expenditure?

**Shri Hathi**: The first stage of the project would be completed by June 1956 and the complete project by 1961. The financial responsibility is solely Mysore Government's but the Central Government is giving this loan assistance.

**Shri Wodeyar**: May I know whether any scheme for public co-operation in the execution of this project has been evolved?

**Shri Hathi**: Not so far as this project is concerned.

### MEHSI BUTTON FACTORY

\*677. **Shri Bibhuti Mishra**: Will the Minister of **Commerce and Industry** be pleased to refer to the debate on the Indian Tariff (Second Amendment and Third Amendment) Bill held on the 10th December, 1955 and state what action has been taken for the implementation of the assurance with regard to the Mehshi Button Factory, Champaran (Bihar)?

**The Minister of Industries (Shri Kanungo)**: As a result of the investigations made by the officers deputed by the Government of India, the Government of Bihar have submitted a scheme for starting a Common service Organisation at Mehshi to arrange

for supplies of raw materials, and of marketing of Mother-of-Pearl buttons at Mehshi and adjoining villages. The scheme has been approved by the Government of India for necessary financial assistance.

**श्री बिभूति मिश्र**: मैं यह जानना चाहता हूँ कि सरकार ने जो आदमी भेजे थे और उनके द्वारा जो जांच पड़ताल की गई, उससे क्या मालूम होता है अर्थात् मेहसी बटन फैक्टरी को संरक्षण देने की आवश्यकता है या नहीं?

**श्री कानूनगो**: जी हां, संरक्षण देने की आवश्यकता अनुभव की गई है और उसको खयाल में रखकर एक स्कीम बनाई गई है और स्कीम चालू होने से देखा जायगा कि वह ज्यादा बढ़ सकता है या नहीं।

**श्री बिभूति मिश्र**: चूंकि बाहर के बटनों के मुकाबले मैं यहां के बटन महंगे पड़ते हैं, तो मैं चाहता हूँ कि वहां की बटन फैक्टरी को जहां कि बहुत छोटे-छोटे आदमी रहते हैं, उनको सरकार क्या प्रोत्साहन देना चाहती है?

**श्री कानूनगो**: जो प्लान और स्कीम बनाई गई है उसके अनुसार जो चीज बनेगी उसकी कीमत कम होगी।

**Shri Joachim Alva**: While surveying the conditions of the button industry, has Government watched the progress of the 50 or 60 button factories in Saurashtra which are in a bad plight and has Government taken any steps to do something for them?

**Shri Kanungo**: The present question relates to one particular area in Bihar where they have been manufacturing mother of pearl buttons. As regards the other part of the question, the assumption of the hon. Member is not correct.

### AGRARIAN CO-OPERATIVES

\*678. **Shri Wodeyar**: Will the Minister of **Planning** be pleased to state:

(a) whether a Chinese Expert on agrarian co-operation visited India and submitted a report; and

(b) whether it is a fact that the Planning Commission is considering a proposal to send a team to study agrarian co-operatives in China?

**The Deputy Minister of Planning (Shri S. N. Mishra) :** (a) In December, 1955, a Chinese economist, who was on a short visit to India, gave to the Planning Commission an account of the progress of agricultural co-operatives in China. No report was submitted by him.

(b) Yes. A proposal to send a team to study agrarian co-operatives in China is under Government's consideration.

**Shri Wodeyar :** May I know what are the salient features of the report? When will the team be going to China and who are the members who compose it? Who will bear the expenses of the members going to China?

**Shri S. N. Mishra :** I could not get the first part of the question but the composition of the team and the time for the departure of the team have not yet been decided.

**Shri Velayudhan :** May I know whether any expert who had studied mutual co-operation in China is giving any training or working in the particular co-operative in Mysore?

**Shrimati Renu Chakravartty :** In view of the fact that the Agricultural Co-operatives in China are closely linked with the agrarian reforms carried out there, will the terms of reference to this team also include going into the entire land reforms that have been carried out in China?

**Shri S. N. Mishra :** All the background in which there has been such astounding progress in the sphere of producers' co-operatives would be studied by this team.

**Shri Shree Narayan Das :** What are the important aspects that have attracted the attention of Government so that a team is being sent to study them?

**Shri S. N. Mishra :** To describe all the features of the agricultural co-operatives in such a short time will be difficult but the important feature of the co-operatives is that it brings land into large units, pools the resources of the peasants and enables

them to adopt new methods and techniques which increase the yield.

**Shri Wodeyar :** May I know whether the Chinese expert came to India at the invitation of the Union Government?

**Shri S. N. Mishra :** The expert came and met the Planning Commission in December 1955. But no expert is coming now. We are sending a team.

**Mr. Speaker :** The hon. Member wants to know whether this expert came on the invitation of the Union Government.

**Shri S. N. Mishra :** No; he accompanied Madame Sun Yat Sen when she came here.

#### EVACUEE PROPERTIES IN EAST PAKISTAN

**\*679. Shri Krishnacharya Joshi :** Will the Minister of Rehabilitation be pleased to state whether Government have tried to ascertain the total value of the property left behind by the Hindus in East Pakistan?

**The Minister of Rehabilitation (Shri Mehr Chand Khanna) :** No such attempt has been made.

**Shri Krishnacharya Joshi :** May I know whether, in view of the Nehru-Liaquat Ali Pact the Hindus are entitled to retain their ownership of the property and what steps Government have taken to safeguard the interests of the Hindus there?

**Shri Mehr Chand Khanna :** This is exactly what I wanted to say. The people in East Pakistan are entitled to retain their property.

**Shri Krishnacharya Joshi :** May I know whether the displaced Hindus are enjoying their properties in East Pakistan?

**Shri Mehr Chand Khanna :** Under the Nehru-Liaquat Pact they are entitled to the proceeds.

## WRITTEN ANSWERS TO QUESTIONS

### PILOT SCHEME FOR EMPLOYMENT DATA

**\*647. Shri Radha Raman:** Will the Minister of **Planning** be pleased to state:

(a) whether it is a fact that Government have undertaken a pilot-scheme for the continuous collection and study of information about the employment market in the country;

(b) if so, whether the statistics so collected will be used for official purposes or released for unofficial use also; and

(c) the details of information to be collected through this pilot-scheme?

**The Deputy Minister of Planning (Shri S. N. Mishra):** (a) Yes, Sir.

(b) It is intended to release the statistics collected both for official and non-official use.

(c) For the pilot scheme it is proposed to collect information from Government and Quasi-Government establishments and private employers regarding (i) number of persons employed, (ii) number of present and future vacancies, (iii) difficulties in filling up such vacancies, if any, (iv) sources of supply, (v) terms and conditions of service, and so on.

### INDUSTRIALISTS' CONFERENCE AT PONDICHERRY

**\*648. Shri A. K. Gopalan:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that Industrial Advisers of the Union Government visited Pondicherry in December 1955 and held a conference of Small Scale Industrialists; and

(b) if so, what was the outcome of the Conference?

**The Minister of Industries (Shri Kanungo):** (a) and (b). The Industrial Advisers visited Pondicherry in December 1955 to study the possibilities of setting up of industries in the area and had discussions with the leading industrialists there. They

have submitted a report to Government and it is under examination.

### COMPENSATION

**\*651. Pandit D. N. Tiwary:** Will the Minister of **Rehabilitation** be pleased to state:

(a) whether there is any proposal to appoint full time District Judges who would exclusively decide the right and apportionment of compensation;

(b) whether there is a proposal to give them certain additional powers; and

(c) if so, the necessity for the same?

**The Minister of Rehabilitation (Shri Mehr Chand Khanna):** (a) Yes.

(b) Yes.

(c) In order to expedite the disposal of judicial cases arising out of the administration of the Displaced Persons (Compensation and Rehabilitation) Act and rules thereunder.

### STEEL

**\*654. Shri M. R. Krishna:** Will the Minister of **Commerce and Industry** be pleased to state the total quantity of steel requested by the Government of Hyderabad during 1955 and the quantity allotted to the State during that year?

**The Minister of Industries (Shri Kanungo):** Demands for a total quantity of 23,791 tons of steel were received and 20,746 tons allotted during 1955 to Hyderabad State.

### SMALL SCALE INDUSTRIES

**\*657. Shri M. S. Gurupadaswamy:** Will the Minister of **Rehabilitation** be pleased to state:

(a) whether Delhi State Government have forwarded to the Government of India the report of the Committee which they had appointed to report on the setting up of small scale and cottage industries in Rehabilitation Colonies to relieve unemployment; and

(b) if so, whether they have recommended any specific schemes?

**The Minister of Rehabilitation (Shri Mehr Chand Khanna):** (a) Yes, the report has been received only recently and is under examination.

(b) No specific schemes have been sent. The recommendations made are of a general nature.

#### URANIUM PROSPECTING

**\*659. Shri S. V. Ramaswamy:** Will the **Prime Minister** be pleased to state:

(a) the nature of organisation of the Atomic Energy Department for prospecting Uranium in Travancore-Cochin and Madras State; and

(b) the progress made so far in this connection?

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** (a) Two field parties of the Raw Materials Division of the Department of Atomic Energy are working one each in the States of Travancore-Cochin and Madras *inter alia* for prospecting for uranium ores.

(b) A few patches of uranium minerals have been located in the States of Travancore-Cochin and Madras. It is however not in the public interest to disclose the exact localities where these minerals have been found.

#### INTEGRATION OF REHABILITATION SCHEMES

**\*662. Dr. Ram Subhag Singh:** Will the **Minister of Rehabilitation** be pleased to state:

(a) whether it is a fact that the West Bengal Chief Minister has suggested integration of refugee rehabilitation schemes with the country's major development projects; and

(b) if so, whether Government have considered this suggestion?

**The Minister of Rehabilitation (Shri Mehr Chand Khanna):** (a) and (b). Yes, Sir.

#### COMMUNITY PROJECT ADMINISTRATION

**\*666. Shri Raghubir Sahai:** Will the **Minister of Planning** be pleased to state:

(a) the programme that has been worked out by the Community Project Administration in order to speed up the work of training in cottage industries; and

(b) whether it has been communicated to State Governments for adoption?

**The Deputy Minister of Planning (Shri S. N. Mishra):** (a) A statement showing the training programme suggested to the State Governments for adoption is placed on the Table of the House. [See Appendix IV, annexure No. 11.]

(b) Yes, Sir.

#### GEIGER MULLER COUNTERS

**\*675. Shri S. V. Ramaswamy:** Will the **Prime Minister** be pleased to state the steps being taken to manufacture *Geiger Muller Counters* in our country?

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** The Tata Institute of Fundamental Research is already manufacturing *Geiger Muller Counters* and the Government of India is giving the Institute annual grants for the purpose.

#### PERIYAR WATER DISPUTE

**\*680. Shri S. V. Ramaswamy:** Will the **Minister of Irrigation and Power** be pleased to state:

(a) the terms of settlement of the long-standing dispute between Madras and Travancore-Cochin States regarding the use of Periyar water for developing power; and

(b) the part played by the Union in the settlement of this dispute?

**The Deputy Minister of Irrigation and Power (Shri Hathi):** (a) The Government of Madras agreed to pay a royalty at Rs. 12 per Killowatt year (8760 units) for generation of power

up to 350 Million units and at Rs. 18 per Killo watt year on quantum of power generated beyond the limit of 350 Million units.

(b) Deputy Chairman, Planning Commission, at the request of the Government of Madras, took personal interest in the case to get the differences resolved.

#### GHANI OIL

**363. Thakur Jugal Kishore Sinha :** Will the Minister of Production be pleased to state:

(a) the specific steps taken in Bihar State for the development of the manufacture of ghani oil;

(b) the number of oilmen's co-operative societies engaged in the manufacture of such oil;

(c) the number of societies which have not been given any assistance—technical or otherwise with the result that they are not functioning;

(d) the proposal, if any, for running the defunct oilmen's co-operative societies; and

(e) how does the rate of such oil compare, with mill oil?

**The Minister of Production (Shri K. C. Reddy) :** (a) Financial assistance has been given to the State Government for the establishment of a model Demonstration Centre and for subsidising the introduction of improved ghanis.

(b) 119.

(c) 21.

(d) No such proposal has been received.

(e) The rate of Ghani oil is generally higher by about four to six annas per seer.

#### REGIONAL INSTITUTES FOR SMALL SCALE INDUSTRIES

**364. Thakur Jugal Kishore Sinha :** Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 863 on the 15th December, 1955 and state the progress so far made in each of the four Regional Institutes

for Small Scale Industries in the matter of assisting small industries to improve their technique of production and methods of business management, securing proper raw materials and promoting patterns of development and also co-ordinating their production programmes?

**The Minister of Commerce and Industry and Iron and Steel (Shri T. T. Krishnamachari) :** A statement is attached. [See Appendix IV, annexure No. 12.]

#### BICYCLE FACTORIES

**365. Thakur Jugal Kishore Sinha :** Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 22 on the 21st November, 1955 and state the number of bicycle factories expected to be opened in India State-wise in the near future, in addition to the existing units?

**The Minister of Commerce and Industry and Iron and Steel (Shri T. T. Krishnamachari) :** In addition to the existing units, five more firms—one in PEPSU, one in Punjab, one in Delhi and two in the U. P.—have been licensed for the manufacture of bicycles. These firms have not yet gone into production. The number of cycle factories that will be established in the country. State-wise, in the near future cannot be estimated at this stage.

#### N.E.S. BLOCKS IN P.E.P.S.U.

**366. Shri R. K. Gupta :** Will the Minister of Planning be pleased to state the number of N. E. S. Blocks proposed to be opened in PEPSU during 1956-57?

**The Deputy Minister of Planning (Shri S. N. Mishra) :** Five National Extension Service Blocks recently allotted to the PEPSU State are scheduled to be taken up on 1-4-1956. The next allotment is proposed to be made sometime in July, 1956, on the basis of the availability of fully-trained personnel.



### टैक्नीकल सहायता कार्यक्रम के अधीन हैलीकाप्टर प्राप्त करना

३६७. श्री अक्षय शर्मा : क्या सिंचाई और विद्युत मंत्री १३ सितम्बर, १९५५ को दिये गये तारांकित प्रश्न संख्या १७०३ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) टैक्नीकल सहायता कार्यक्रम के अन्तर्गत जिन दो हैलीकाप्टरों को अमेरिका से प्राप्त करने का प्रबन्ध किया जा रहा था क्या वे प्राप्त हो गये हैं; और

(ख) यदि हाँ, तो उनका उपयोग करने के लिये क्या कार्यवाही की जा रही है ?

सिंचाई और विद्युत उपमंत्री (श्री हाथी) :

(क) अभी नहीं ।

(ख) प्रश्न नहीं उठता ।

### CALCIUM CARBIDE

368. Shri Ibrahim : Will the Minister of Commerce and Industry be pleased to state :

(a) the quantity of Calcium Carbide manufactured in the country during the year 1955-56 as far as information is available ; and

(b) the prevailing prices of the indigenous and imported material ?

The Minister of Commerce and Industry and Iron and Steel (Shri T. T. Krishnamachari) : (a) 3090 tons. (April 1955 to March 1956).

(b) The indigenous material is sold at Rs. 43 per cwt. f.o.r. works. Whereas the landed cost of imported material would be about Rs. 38—42 per cwt.

### A.I.R. STATION, DELHI

369. Shri Ibrahim : Will the Minister of Information and Broadcasting be pleased to state :

(a) what is the strength of the transport fleet at the Delhi Station of A.I.R. (including News Services Division and External Services Division); and

(b) the total amount spent over this item in 1954-55 and 1955-56 separately ?

The Minister of Information and Broadcasting (Dr. Keskar) : (a) 12.

(b) A sum of Rs. 82,999 and Rs. 55,079 was spent on their maintenance during 1954-55 and 1955-56 (upto 31st January, 1956) respectively.

### ALUMINIUM PRODUCTS

370. Shri S. C. Samanta : Will the Minister of Commerce and Industry be pleased to state :

(a) the comparative prices of imported and indigenous aluminium products at present ; and

(b) the annual demand of aluminium in India ?

The Minister of Commerce and Industry and Iron and Steel (Shri T. T. Krishnamachari) : (a) A statement is attached. [See Appendix IV, annexure No. 13.]

(b) The domestic demand for aluminium in all forms has been estimated to be between 18,000 and 20,000 tons based on imports in the past and the production in the country. The demand is, however, expected to go up to 30,000 tons by 1960-61.

### सामुदायिक परियोजनाएँ

३७१. श्री विभूति मिश्र : क्या योजना मंत्री भारत के उन राज्यों के नाम बताने की कृपा करेंगे जिनके सामुदायिक परियोजना क्षेत्रों में मध्य पूर्वी देशों के प्रतिनिधि मंडल ने भ्रमण किया है ?

योजना उपमंत्री (श्री एस० एन० मिश्र) : अरब राज्यों के एक प्रतिनिधि मंडल ने, पंजाब, पेश्वर, राजस्थान, बम्बई और हैद्राबाद के सामुदायिक परियोजना क्षेत्रों के कार्यों को देखा ।

### HANDLOOM CLOTH

372. Shri Gidwani : Will the Minister of Commerce and Industry be pleased to refer to the reply given to

Starred Question No. 7 on the 16th February, 1956 and state the uniform rate of rebate introduced on the sale of handloom cloth?

**The Minister of Commerce and Industry and Iron and Steel (Shri T. T. Krishnamachari):** One and a half annas in the rupee, except in Bombay where the rate is 2 annas.

### आसाम में रबड़ के वृक्ष

३७३. श्री अमर सिंह डामर : क्या वाणिज्य और उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) आसाम में कितनी एकड़ भूमि में रबड़ के वृक्ष पाये जाते हैं और कितनी एकड़ भूमि में रबड़ के वृक्ष लगाये गये हैं ;

(ख) क्या इन वृक्षों से रबड़ निकाली जाती है; और

(ग) यदि नहीं तो इसका क्या कारण है ?

**वाणिज्य और उद्योग तथा लोहा और इस्पात मंत्री (श्री टी० टी० कृष्णामाचारी) :** (क) आसाम के १,००० एकड़ क्षेत्र में रबड़ के पेड़ यहां वहां पाये जाते हैं। जिस क्षेत्र में रबड़ के पेड़ लगाये जाते हैं, उसका क्षेत्रफल लगभग १,६५० एकड़ है।

(ख) तथा (ग). आसाम में पैदा होने वाली इस विशेष प्रकार की रबड़ (फिस्क इलेस्टिका) की मांग नहीं है, इसलिए इसका दूध नहीं निकाला जाता।

### NON-OFFICIAL PURCHASE ADVISORY COUNCIL

374. **Sardar Iqbal Singh:** Will the Minister of Works, Housing and Supply be pleased to refer to the reply given to Starred Question No. 740 on the 12th December, 1955 and state when the Non-Official Purchase Advisory Council will be set up?

**The Parliamentary Secretary to the Minister of Works, Housing and Supply (Shri P. S. Naskar):** The proposal was discussed at a Conference of representatives of trade and industry on the 28th of February, 1956. The Council will be set up shortly.

### ALLOTTABLE PROPERTIES

375. **Sardar Hukam Singh:** Will the Minister of Rehabilitation be pleased to state the number of allottable properties whose values have been raised above Rs. 10,000 so as to bring them within auction limits after the passing of rules in Parliament?

**The Minister of Rehabilitation (Shri Mehr Chand Khanna):** Values of properties have not been raised with the object of bringing them within the saleable limit. The reasons for the meticulous valuation of allottable properties have been explained in detail in a Press Note dated the 29th December, 1955, copy of which is attached. [See Appendix IV, annexure No. 14.]

### STEEL SHORTAGE

376. **Shri S. V. Ramaswamy:** Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 121 on the 21st February, 1956 and state what schemes have been evolved and what proposals are being considered to meet the shortage of steel?

**The Minister of Commerce and Industry and Iron and Steel (Shri T. T. Krishnamachari):** From a long range point of view it has been decided to increase indigenous production from the present level of 1.2 million tons to 4.5 million tons by 1960. To meet the situation till then, it has been decided to import between 5.6 million tons of steel.

### DEVELOPMENT OF VILLAGE INDUSTRIES

377. **Shri H. G. Vaishnav:** Will the Minister of Production be pleased to state:

(a) whether any aid had been sanctioned to Hyderabad State for the development of the following village Industries in the year 1955:

- (i) the Gur and Khandsari Industry;
- (ii) the Palm Gur and other Palm Products;

(iii) the Bee Keeping Industry ;  
and

(b) If so, the extent of the aid and whether it had been fully utilised by that State?

**The Minister of Production (Shri K. C. Reddy) :** (a) Financial aid was sanctioned for the development of Gur and Khandsari and Palm Gur industries during the financial year 1954-55 and 1955-56.

	SANCTIONED		UTILIZED
	Grant Rs.	Gur & Khandsari Loan Rs.	
1954-55	16550	..	was not utilised.
1955-56	46350	50,000	Information not yet available as financial year has not closed.

	Palm Gur*	
1954-55	24337	12429

*Bee Keeping*

Nil

#### SAFETY RAZOR BLADES

**378. Shri Kajrolkar :** Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 2342 on the 29th September, 1955 and state the value of Licences issued in 1955-56 to import safety razor blades?

**The Minister of Commerce and Industry and Iron and Steel (Shri T. T. Krishnamachari) :** Rs. 50-72

lakhs for the period 1st April 1955 to 18th February, 1956.

#### FERTILIZERS

**379. Shri B. S. Murthy :** Will the Minister of Commerce and Industry be pleased to state:

(a) the total quantity of fertilizers produced during 1955-56 so far ;

(b) the total imports and exports during the period ; and

(c) the quantities allocated to the States and the basis for the same?

**The Minister of Commerce and Industry and Iron and Steel (Shri T. T. Krishnamachari) :** (a) The following quantities of fertilisers were manufactured during April-December, 1955 :

Ammonium Sulphate—2,94,395 tons  
Superphosphate—50,845 tons .

*Muriate of Potash* is manufactured as a bye product by Salt Petre refineries on cottage industry basis. Accurate figures of production are not available but it is estimated that about 2,000 tons are manufactured every year.

(b) A statement is attached. [See Appendix IV, annexure No. 15.]

(c) Statements showing the quantities allocated to the various states are attached. [See Appendix IV, annexure No. 15.] Allocations are made on the basis of the requirements furnished by the States.

\*In addition to the above grant to the State Govt. the All India Khadi & Village Industries Board has disbursed Rs. 26,890 as grant and Rs. 5,100 as loan to private institutions for the development of Palm Gur industry.

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# LOK SABHA DEBATES

(Part II—Proceedings other than Questions and Answers)

**VOL. II, 1956**

(5th March to 23rd March, 1956)



**TWELFTH SESSION, 1956**

(Vol. II contains Nos. 16 to 30)

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NEW DELHI**

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# LOK SABHA DEBATES

## (Part II—Proceedings other than Questions and Answers)

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### LOK SABHA

Tuesday, 13th March, 1956

*The Lok Sabha met at Half Past Ten of the Clock.*

[MR. SPEAKER in the Chair]

### QUESTIONS AND ANSWERS

(See Part I)

11-30 A.M.

#### PAPERS LAID ON THE TABLE

STATEMENTS RE. POLICE FIRING AT NACHOU (MANIPUR)

The Minister in the Ministry of Home Affairs (Shri Datar): Sir on behalf of Pandit G. B. Pant, I beg to lay on the Table a copy of the statement regarding police firing at village Nachou (Manipur), in pursuance of an undertaking given on the 17th February, 1956. [See Appendix IV, Annexure No. 16.]

#### NOTIFICATIONS UNDER CENTRAL EXCISES AND SALT ACT

The Minister of Revenue and Defence Expenditure (Shri A. C. Guha): Sir, I beg to lay on the Table a copy of each of the following Central Excises Notifications under section 38 of the Central Excises and Salt Act, 1944 :

(1) Notification No. 2-CER/56, dated the 1st March, 1956.

(2) Notification No. 1-CER/56, dated the 1st March, 1956.

[Placed in Library. See No. S—83/56.]

#### MESSAGES FROM RAJYA SABHA

Secretary: Sir, I have to report the following messages received from the Secretary of Rajya Sabha:

(i) "In accordance with the provisions of rule 125 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 9th March, 1956, agreed without any amendment to the Capital Issues (Continuance of

Control) Amendment Bill, 1956 which was passed by the Lok Sabha at its sitting held on the 28th February, 1956

(ii) "In accordance with the provisions of rule 125 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 9th March, 1956, agreed without any amendment to the Voluntary Surrender of Salaries (Exemption from Taxation) Amendment Bill, 1956, which was passed by the Lok Sabha at its sitting held on the 18th February, 1956."

#### CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

SITUATION ARISING OUT OF INVALIDATION OF MANIPUR FOODGRAINS (MOVEMENT) CONTROL ORDER 1951.

Shri L. Jageswar Singh (Inner Manipur): Under rule 216, I beg to call the attention of the Minister of Agriculture to the following matter of urgent public importance and I request that he may make a statement thereon:

"Situation arising out of invalidation of Manipur Foodgrains (Movement) Control Order, 1951."

The Minister of Agriculture (Dr. P. S. Deshmukh): In order to guard against large-scale export of rice from the border State, a fresh Manipur Foodgrains (Movement) Control Order, 1955 has been issued on the 21st February, 1956 by the Government of India under their own powers under the Essential Commodities Act, 1955. Export of rice without a permit cannot now take place from Manipur State.

#### APPROPRIATION (VOTE ON ACCOUNT) BILL.

The Deputy Minister of Finance (Shri B. R. Bhagat): I beg to move\*:

"That the Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund

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[Shri B. R. Bhagat].  
of India for the service of a part of the financial year 1956-57 be taken into consideration."

**Mr. Speaker:** The question is:

"That the Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1956-57 be taken into consideration."

*The motion was adopted.*

*Clauses 1 to 3, the Schedule, the Enacting Formula and the Title were added to the Bill.*

**Shri B. R. Bhagat:** I beg to move:

"That the Bill be passed."

**Mr. Speaker:** The question is:

"That the Bill be passed."

*The motion was adopted.*

#### APPROPRIATION (RAILWAYS) BILL

**The Minister of Railways and Transport (Shri L. B. Shastri):** I beg to move\* :

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1956-57 for the purposes of Railways, be taken into consideration."

**Mr. Speaker:** The question is:

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1956-57 for the purposes of Railways, be taken into consideration."

*The motion was adopted.*

*Clauses 1 to 3, the Schedule, the Enacting Formula and the Title were added to the Bill.*

**Shri L. B. Shastri:** I beg to move:

"That the Bill be passed."

**Mr. Speaker:** The question is:

"That the Bill be passed."

*The motion was adopted.*

#### APPROPRIATION (RAILWAYS) NO. 3 BILL

**The Minister of Railways and Transport (Shri L. B. Shastri):** I beg to move\*:

"That the Bill to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services for the purposes of Railways during the financial year ended on the 31st day of March, 1951, in excess of the amounts authorised or granted for the said services, be taken into consideration."

**Mr. Speaker:** The question is:

"That the Bill to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services for the purposes of Railways during the financial year ended on the 31st day of March, 1951, in excess of the amounts authorised or granted for the said services, be taken into consideration."

*The motion was adopted.*

*Clauses 1 to 3, the Schedule, the Enacting Formula and the Title were added to the Bill.*

**Shri L. B. Shastri:** I beg to move:

"That the Bill be passed."

**Mr. Speaker:** The question is:

"That the Bill be passed."

*The motion was adopted.*

#### APPROPRIATION (RAILWAYS) NO. 4 BILL

**The Minister of Railways and Transport (Shri L. B. Shastri):** I beg to move\*:

"That the Bill to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services for the purposes of Railways during the financial year ended on the 31st day of March, 1952, in excess of the amounts authorised or granted for the said services, be taken into consideration."

\* Moved with the recommendation of the President.

**Mr. Speaker:** The question is:

"That the Bill to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services for the purposes of Railways during the financial year ended on the 31st day of March, 1952, in excess of the amounts authorised or granted for the said services, be taken into consideration."

*The motion was adopted.*

*Clauses 1 to 3, the Schedule, the Enacting Formula and the Title were added to the Bill.*

**Shri L. B. Shastri:** I beg to move:

"That the Bill be passed."

**Mr. Speaker:** The question is:

"That the Bill be passed."

*The motion was adopted.*

#### APPROPRIATION (RAILWAYS) NO. 5 BILL

**The Minister of Railways and Transport (Shri L. B. Shastri):** I beg to move\*:

"That the Bill to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services for the purposes of Railways during the financial year ended on the 31st day of March, 1953, in excess of the amounts authorised or granted for the said services be taken into consideration."

**Mr. Speaker:** The question is:

"That the Bill to provide for the authorisation of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services for the purposes of Railways during the financial year ended on the 31st day of March, 1953, in excess of the amounts authorised or granted for the said services be taken into consideration."

*The motion was adopted.*

*Clauses 1 to 3, the Schedule, the Enacting Formula and the Title were added to the Bill.*

**Shri L. B. Shastri:** I beg to move:

"That the Bill be passed."

**Mr. Speaker:** The question is:

"That the Bill be passed."

*The motion was adopted.*

#### GENERAL BUDGET—GENERAL DISCUSSION

**Mr. Speaker:** The House will now take up the general discussion of the General Budget. As the Members are aware, the general discussion will continue till Friday, the 16th March, 1956.

For the benefit of hon. Members, I would like to draw their attention to rule 226 (1) regarding the scope of discussion on the Budget as distinguished from the discussion on the Finance Bill. The rule lays down that during general discussion on the Budget the House will be at liberty to discuss the Budget as a whole or any question of principle involved therein. The scope of discussion at this stage is thus confined to the general examination of the Budget, that is, the proper distribution of the items of expenditure according to the importance of a particular subject or service, the policy of taxation as it is expressed in the Budget and the speech of the Finance Minister.

Members may, therefore, make observations in regard to the general scheme and the structure of the Budget. The general scheme of the Budget will include considerations of revenue, surplus or deficit, revenue and expenditure account and the overall surplus or deficit. So far as the revenue account is concerned, Members may take into account the method of estimation, whether the revenue is over-estimated or under-estimated. Whether the expenditure is pitched too high, and, therefore, whether the size of the surplus or deficit is affected. They might make observations in regard to how these deficits have arisen, whether there is a real deficit at all, and how generally it should be covered and what should be the plan by which it has to be covered. They might speak about the division of taxation into direct and indirect. They should not, however, enter into detail in regard to particular schemes of taxation suggested or expenditure estimated except by categories, say direct or indirect, new or old taxes or excises or expenditure met from revenue or capital and so on.

\* Moved with the recommendation of the President.

[Mr. Speaker]

So far as general grievances are concerned, these may be deferred for ventilation at the time of considering the Finance Bill. That will also be the proper occasion for going into details of taxation and matters related thereto. Similarly details of expenditure may be discussed when Demands for Grants come up before the House.

Under rule 226(3) I fix that fifteen minutes will be the time-limit ordinarily for every hon. Member, excepting the Finance Minister for whom one hour or more will be allowed, if necessary, for reply.

So far as Leaders of particular Groups are concerned, if they want some more time, they can take up to a maximum of thirty minutes, within the overall time-limit available to their parties.

**Shri Kamath (Hoshangabad):** Before we proceed further, may I draw your attention to the circular which we have got only today from the Department of Parliamentary Affairs, suggesting that Members of Parliament, who are desirous of receiving the Mountbattens at the airport tomorrow would give their names here? May I ask on what considerations is this done? Admiral Earl Mountbatten today is not the head of a State nor the head of any Parliament either. Is it because he is an ex-Governor-General who perpetrated the partition of India that this reception is being arranged?

**Shri B. S. Murthy (Eluru):** He is one of our sincere friends. (*Interruptions*).

**Shri Kamath:** There are quite a few others too.

**Mr. Speaker:** I have repeatedly held that the time of the House is very precious. As this particular item is not on the agenda, what is the extreme urgency about it?

**Shri Kamath:** 14th is tomorrow.

**Mr. Speaker:** Hon. Members can, as in other cases, write to me or tell me that he is going to raise this matter. I will fix up some time or if it is necessary to make a statement on the floor of the House, I will allow him to do so. I am only requesting the hon. Members not to interrupt the proceedings. However important or unimportant the other matter may be, I am prepared to look into it and see what can be done according to the exigencies of circumstances, the importance of the particular subject, etc. If it ought to be brought before

the House, I will give time. Therefore, to jump up and interrupt... (*Interruptions*).

**Shri Kamath:** I am not jumping up.

**Mr. Speaker:** Order, order. It is the rule, that hon. Members should not without my consent...

**Shri Kamath:** Is everything to be brought to your chamber?

**Mr. Speaker:** Everything. Nothing can be allowed if it is not on the Order Paper. (*Interruptions*).

Order, order. This is not a public platform.

**Shri Kamath:** Parliament is the supreme public platform. It is very wrong.

**Some Hon. Members:** Order, order.

**Shri Kamath:** Who are you to order me?

**Mr. Speaker:** No hon. Member helps me if he also calls him to order. I am here to do so and he will obey. The point is this. I want once again to impress on the hon. Members that nothing can come up before the House unless it is in the Order Paper. Any person at any time cannot get up unless there is a matter in the form of a motion or calling attention, etc. There are various rules giving opportunities to Members to raise any matter before this House. With respect to all these things, the previous consent of the Speaker is necessary and he will provide opportunities according to the exigencies of the circumstances, the nature of the matter, the importance or urgency of the matter, etc. and see whether there should be an opportunity to discuss it or not. Taking all these aspects into consideration, he will fix a time as, otherwise, the work of this House will be impeded by interruptions. I once again reiterate this view which is clear from the Rules of Procedure. However important or urgent it may be, it is easy for any hon. Member to write to me and take my permission and bring it before the House.

**Shri Kamath:** It is not in the form of a motion.

**Mr. Speaker:** Anything. Now, let us take the Budget.

**Shri Kamath:** We will see to it later on.

**Shri Asoka Mehta (Bhandara):** At the outset, I must frankly express my regret that this House is not having the first



opportunity of discussing the Budget and that it has already been discussed elsewhere. I have no desire in the course of the discussion of the Budget to refer to any aspect of the Plan because, though the Budget and the Plan are intimately connected, I am sure that this House will have an opportunity of discussing the Plan on a future occasion. I would like to point out that whatever I have to say this morning is linked up in a sense with the observations that I made on the Budget on the last occasion.

As far as the Budget is concerned, there are two aspects of it. It is Mr. Mendes France who was Prime Minister of France some months back who recently pointed out that there is for historical reasons a tendency to regard the Budget as a political instrument, a means for organising the power of the legislature over the executive and to forget its economic function. I am anxious to remind the House that while it is our privilege and prerogative and constitutional responsibility to exercise the control of this Parliament over the executive to use the Budget as a political instrument, we cannot ignore the economic functions of the Budget. It is all the more necessary because of the far-reaching changes that are taking place in the very concepts of economic science. Economics today is no longer what it was when many of us were studying the subject in the university. With your permission, Sir, I would like to quote what Professor Clark has said on this subject. His observations are typical of the general re-assessment that is taking place of the economic science itself. Professor Clark says:

"The older economies had a kinship to Newtonian physics while some of the newer thoughts have at times been spoken of in terms of relativity, an expanding universe, or Alice in the looking-glass. Ten plus one equals thirteen, ten minus one equals seven. Saving is a public vice, living beyond one's means as a notion is the road to riches and the crowning glory of economic science is the devising of a contraption for lifting ourselves by our boot-straps."

The whole concept on which we have been operating in the past has radically changed in the last 10 or 15 years. Scales of values change with changing economic conditions and circumstances. There is today a kind of reversibility between good and evil. What is good in certain circumstances not only ceases

to be good but becomes an evil when those circumstances change. That is the reason why it is necessary that this House should be conscious not only of the Budget as a political instrument but also exercise and not forget as Mr. Mendes France reminded us, its economic function.

We are living in a period when the public sector is expanding fast where we have not just one Budget but multiple Budgets—not only the revenue Budget, not only the capital Budget. There are so many other institutions in the public sector and there are so many of their budgets that we have to bring together and correlate them and bring them to a common focus. That new responsibility is thrown upon us.

Then again, we are accepting unbalanced Budget as a necessary part of economic development. This unbalance between revenue and expenditure, the emphasis on the leverage effects of expenditure on our economy and managed money that we are having now—all these make traditional budgetary controls inept and unreal. Merely by discussing the Budget, it would not be possible for us to take into consideration all relevant facts and all significant forces. On the last occasion also, I had drawn the attention of the Finance Minister to the fact that a wider framework needs to be provided.

We are told by outstanding economists that where the productivity of capital is high, as in an under-developed economy gearing into expanding production, monetary policy is often more effective than fiscal policy. Therefore, we have got, at a time like this, to bring all these policies together and review them from a common focus. That creates the necessity to have a national economic Budget. It is impossible in the light of the new situation that has come up to review the financial Budget in isolation from the national economic Budget. The national economic Budget in various countries, wherever it is prepared properly, is used as an instrument for controlling inflation, for the control of economy; it is also used as a means for carrying out the export and investment programmes and finally it is used as a means of reducing arbitrary financial administration. The last aspect of the economic Budget is of more than passing interest to us and in that connection I would like to invite the attention of the Finance Minister and this House to what Mr. Mendes France has to say. In his recent book, *Economics and Action*—a book on the

[Shri Asoka Mehta]

application of economic science to practical problems of the State written by the distinguished statesman—he says:

“Finally, the economic budget constitutes a means of restricting the arbitrary element in financial administration, thus partially offsetting the effects of the disappearance of the checks operating under the classical system. Although the principle of the balanced budget was not always respected, it was never infringed without misgivings. But for the adoption of the economic budget, which introduced a new principle—that of economic equilibrium—the scrapping of the principle of balancing the budget might have resulted in the institution of a hand-to-mouth system. . . . The introduction of the economic budget also serves to offset the disappearance of the check represented by the gold convertibility of currency. Although the automatic operation of the gold standard failed to prevent the adoption of hand-to-mouth policies, it did at least make it impossible for that kind of policy to be pursued indefinitely.”

If the requisite kind of control is to be exercised by this House, if the country is to be able to judge the policies of the Government with the thoroughness and with the competence that are necessary, it is obvious that the financial budget must be accompanied by a national economic budget. Judged from that point of view the speech of the Finance Minister,—the first part of his speech, speech A—is wholly inadequate. I had invited his attention to this last year also and I am sorry to find that I have not been able to carry conviction with him. Not only it is necessary to have a fuller and more definite picture about the economic conditions in the country as a whole, but we must also have an economic budget in the light of which the financial budget is to be judged and this report of the Finance Minister must be made available to us before the financial budget is introduced. There is no point in bringing the two together. I do not know why speech A and speech B must be delivered at the same time and on the same occasion. Speech B is very important; perhaps the last page of speech A is also important. But, the general survey of economic conditions surely can be made available to us so that

we may be able to look at the financial proposals of the Government with greater understanding.

On the last occasion I had stressed the need for budget reform. I do not know if any step in that direction has been taken. I had stressed this for more than one reason. The budget has to perform a variety of functions. There is financial planning, there is programme formulation and there is programme control. Each one of these functions requires different approaches and different applications. Secondly, a consolidated cash statement is not only an instrument of financial planning but also fiscal policy that is, the Government budget conceived as an aid to balancing the nation's economic budget. Thirdly, the use of the budget of cost prices—that is, functional budget about which I said a little more on the last occasion—instead of the classical budget would enable the problem of choice in the domain of public expenditure to be solved. I am not saying that we can switch over from a classical budget to a functional budget overnight. But, surely, some step in that direction has to be taken. The House, the country, the Government, the administration and all concerned have got to be acclimatised to the far-reaching changes that have to be made in an economy that embarking upon planned development. Old instruments very often become blunted. New instruments have to be devised. And, when we are fortunate in having a Finance Minister of such outstanding ability and competence one is entitled to believe that not only he will give us sound financial policy but will also help us to evolve or shape the needed instruments the tools and the techniques.

Sir, we are entering what has been called the age of spending. Our expenditure increases from year to year and, I believe, there are two laws which are simultaneously in operation: There is the law known as Adolph Wagner's Law of increase of state activities. He said:

“This increase is both extensive and intensive: the governments constantly undertake new functions, while they perform the old functions more efficiently and completely.”

There is a Adolph Wagner's Law which is in operation. Constantly the functions of the Government are growing both in extensiveness as well as in depth. On the other hand, there is the newly formulated Parkinson's Law

which says: "More and more there is waste there is extravagance. In our country I find that between 1954 and 1956 taxation increased by 20 per cent, that is by Rs. 90 crores, while expenditure on civil administration has increased by 80 per cent or by about Rs. 60 crores. Both the laws are operating and that is the reason why maximum vigilance is necessary.

Now, the Finance Minister has told us that he is going to appoint a ministerial committee, a high-powered committee, to see that there is no waste, there is no kind of extravagance. I am very happy to hear that this kind of effective checks are devised at the highest levels. But, surely it is the inherent right, it is the fundamental responsibility, of this House to be the watch-dog of the finances of the State. We cannot abdicate that power to the Government—not even to the Government. It was Mr. Herbert Morrison who pointed out that 'the real factor is putting the fear of Parliament into Whitehall'. The fear of Parliament has to be put into the Secretariat. Now, how is that to be done? I am happy that there will be the Ministerial committee. I am happy that there are going to be working parties which will look into these things and which will provide us fuller insight and better understanding about how our expenditure is done. I would suggest that as in England during the two wars—the First World War and the Second World War—when a special committee was set up by the Parliament called the Expenditure Committee, we too should have a special committee of this House called the Expenditure Committee to look into these matters; I am afraid that unless such a machinery is set up we shall not be able to exercise effective vigilance in this age of spending.

Sir, I have not the time to go into the details of the working of the Expenditure Committee of the House of Commons. All that I can do is to invite the attention of the Finance Minister to the study where this particular committee's working has been discussed fully and in detail. That is Prof. Basil Chubb's recent publication: *The Control of Public Expenditure*. I would beg of you, Sir and my colleagues in the House that some special attention must be given. Our expenditure is growing at a rapid pace and it is bound to grow faster and faster. We are like the Red Queen in *Alice in Wonderland*. We have got to run faster and faster to

be at the same spot. When you are trying to run faster and faster, when you are trying to spend more and more, it is necessary that new instruments are devised to make vigilance more effective.

I would also like the Finance Minister to consider whether new control systems cannot be organised. There are three suggestions that I would like to make. These are suggestions based upon recent experiences in France. Firstly, a committee has been set up there on investment—to propose new investment as well as to analyse the effect of earlier investments. Secondly: there is a committee on contracts. I do not know how much work we are giving on contracts and what kind of contracts there are. There is also a committee on research on contracts; but in India a committee on contracts is absolutely necessary if we are to be sure that whatever work is done through contracts is done properly, effectively and usefully. Thirdly, there is a very important body in France called *Commission de Verification des Comptes*. When the public sector grows unless there is an effective body which reviews the working of public sector and presents reports to the Parliament, any discussion on the budget will be unreal. Merely fragmentary reports which we get from the Ministry are not going to be of much use. I would, therefore, request you to take these facts into consideration and also consider the very valuable suggestions that were made by the Secretary of our House during the Seminar on Parliamentary Democracy. This House has got to be strengthened in various ways if we are to be equal to the new responsibilities that economic planning is throwing upon us and I hope, Sir, you, the Government and the Members of this House will give to this matter the consideration that it deserves.

Before I move on to an analysis of deficit financing I would like to say just a few words on the appointment of the Finance Commission. The Finance Minister in his speech has made some reference to it. May I invite his attention to the developments that are taking place in other countries? Federalism and finance and social security are posing entirely new problems in many countries. Over and above the problem of correlating federalism, finance and social security we have also to take into consideration the problems of development. Here is a magnificent study of the whole problem recently carried out and

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I shall only briefly place before you the conclusions that the author has reached. Mr. Birch has said:

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"The post-war period has seen important developments in federal-state relations in all three federations. Some of these developments are new, such as the Tax Rental Agreements in Canada, the Uniform Tax Plan in Australia, and the institution of variable grants in the United States....

Second, the state governments are considerably more dependent upon federal payments than they were before the war. The Australian states, on average, now derive about 60 per cent. of their general revenue from federal sources, and for the Canadian provinces, apart from Quebec, the figure is about 30 per cent. If their accounting systems allowed for the inclusion of specific grants in general revenue, the proportions would be still higher....

Third, in all three countries the federal payments now give a disproportionate amount of aid to the poorer states....

Finally, the provision of social welfare, which is the most extensive field of action left to the state and provincial governments by the constitutional divisions of power, is now largely controlled by federal legislation and financed from federal sources."

The conclusion to which the author comes is that a new concept of federation is emerging, a co-operative federation. This new concept of federalism, a co-operative federalism, that is emerging, has its own financial implications and now that we are going to reorganise the political map of the country, now that we are going to have our States on new lines on the one hand, and on the other hand, we are to have an opportunity of having a Finance Commission to look into this problem thoroughly. I wish that the Finance Minister and the Government will go into this problem more deeply and not in the general manner in which it seems the Finance Minister has gone into from the references that he has made in the speech that he delivered to us the other day.

As far as deficit financing is concerned, I believe this House is converted to the idea of deficit financing. Even those who are the

most determined opponents of deficit financing have come to this conclusion, that as far as the under-developed countries are concerned, there is room, there is scope, there is need, for deficit financing. I cannot think of a more determined opponent of deficit financing than Prof. Hubbard whose basic thesis is creation of income by taxation. It would sound like a contradiction, but, as I said, we are living in an age where entirely new economic concepts are coming up. Even Prof. Hubbard, the most determined opponent of deficit financing, says:

"An important conclusion follows from this analysis. When the rate of technical progress is less than the rate of interest on the government debt, income creation by taxation is an instrument preferable to government deficit spending....

Although we conclude that taxation to create income is to be preferred to government deficit spending in the long run when there is insufficient technological progress, the conclusion that deficit spending has no place in an integrated policy is unwarranted. Deficit spending in the short run which gives way to taxation in the long run is an integral part of an inclusive policy."

I am happy that the Finance Minister has been following such an inclusive policy, but such inclusive policy ultimately is based upon a proper appraisal. You have to combine in a proper manner, in an imaginative manner, the right dose of taxation with the necessary dose of deficit financing. It is here that I feel that we should not consider deficit financing as a cushion that is available for us for all time. It is a temporary device. It is a temporary device that has enabled us to move forward, but the future movement ultimately depends upon our ability to raise the taxes that are needed. Any budget, even if it is financed by the issue of loans, must have an inflationary effect. Let us not go away with the impression that the inflationary effect is created only when there is an uncovered deficit. Even when the uncovered deficit is financed by loans, it exercises an inflationary pressure, and the more so when it is done through an entirely uncovered gap.

I find from the Reserve Bank Bulletin's survey of the recent trends in prices that two things are happening now. People are becoming cautious about selling commodities and they are anxious

about building up stocks. Already a climate is emerging in the country wherein there is a feeling that there is going to be a substantial price rise. We are entering a period of secular inflation. I do not know whether the Finance Minister will agree with me or not. But we are entering a period of secular inflation, and when deficit financing on such a big scale is to be carried out far greater attention should have been given to the organisation of checks and controls. I find that the Finance Minister hardly told us anything about the means or regulation and control, about the administrative means, the organisational means, the psychological means, to create an opinion in the country that it may be necessary at certain places, in certain circumstances, to bring in controls. I know that the majority of my friends here have almost an instinctive aversion to controls. I am aware that controls have worked very badly in the past but may I remind you that there can be no planning unless you have an administrative set-up of controls in the background? It has to exist in the background. We must make every effort to see that it is not brought into the foreground. But even that, as a kind of contingent aid, I find the Finance Minister has not worked out.

Then, in a period of secular inflation there are goods which are known as inflation hedges. People want to invest in certain kinds of goods where they think they would be able to make a lot of money and profits later on. These inflation hedges have got to be controlled. I would like to know from the Finance Minister whether he accepts the idea of inflation hedges and whether he has tabulated and catalogued what are the inflation hedges in which people are likely to pour their resources and how they are to be controlled. Then take the reserve commodities? What is the reserve of commodities? How shall we reserve of commodities. What is the reserve of those commodities and how are we going to check the sudden rise in prices? These are things where definite, clear-cut information is necessary for the Parliament and for the country. I hope that the Finance Minister on this occasion or on a similar occasion will give us the necessary information.

When I come to the proposals that have been made for new taxes, I find that many of them are steps in the right direction. Let us take the new excises. As far as the new excises are concerned, I agree that additional tax revenue is necessary. I also welcome the various

excise duties based on the methods of production. Likewise, I am happy that since last year we have introduced the idea of levying the excises shift-wise. But I do not understand why the Finance Minister is unwilling to take the last step that needs to be taken, namely, that the excise duty should be related to the output of different factories. In regard to matches—I believe. I am not mistaken—that particular line has been taken, but in soap where it is absolutely necessary, where the indigenous soap industry today is almost in the doldrums, I am unable to understand why the Finance Minister is not willing to adopt the same procedure that has been adopted for matches.

**Mr. Speaker:** His time is up.

**Shri Asoka Mehta:** I shall skip over the other points. I shall say briefly a few words about the new taxes on income, and particularly taxes on business profits. I am happy that further gaps in the income-tax structure have been closed. But I would like to ask the Finance Minister: are we to think of establishing economic equality in the country only by levying tax on income and are we to ignore the question of maldistribution of wealth? If we are going to have a ceiling on holdings as we are likely to have in the near future as part of a comprehensive land reforms policy, may I know why the Finance Minister has done nothing about finding out what kind of tax will have to be levied to bring about a better distribution of wealth in the country? As far as taxes imposed on business profits are concerned, if I had more time, I would have explained how they are not likely to affect the formation of capital in the country. Not only that; now that we are entering a period of secular inflation, I believe that the time has come when we should consider the levy of capital gains tax. Last time when it was levied, it had started yielding good results. Distinguished authorities on the subject who have been consulted have told us that that tax was terminated prematurely. I hope on future occasions, every effort will be made to consider that tax.

I would also like to point out that the new responsibilities that are thrown upon us demand what is known as "socialisation of investment". The entire investment policy has got to be brought together and it has got to be under one control, under one direction. For lack of time, I will not be able to develop that point further.

[Shri Asoka Mehta]

I also want to know why new devices are not being explored. There is State trading, for instance. Take State trading in cement. In cement today fabulous profits are being made. A large proportion of cement production is for Governmental consumption and only a small portion of cement production in the country is available for meeting the mounting requirements of private consumption. I am told we are going to import some cement and even that import will be done through the A.C.C. The whole policy, to my mind, is wrong. Cement provides today an opportunity for effective State trading. It satisfies all the criteria of successful State trading. I would like to know from the Government why that is not being done.

There are new forms ...

**Mr. Speaker :** The hon. Member must resume his seat now.

**Shri T. S. A. Chettiar (Tiruppur):** The target that we have reached under the First Five Year Plan have filled us with hopes and we are embarking on the Second Five Year Plan with greater confidence. Of course, it is necessary that in the Second Five Year Plan we will have to resort to heavy taxation; but, to my mind, the taxation must be in those spheres which have directly profited by the First Five Year Plan.

We have been told that the national income has increased by 17 per cent. I would like to know whether it has been examined as to how the 17 per cent has been distributed in the various social strata in the country. Unless we know where this 17 per cent has been distributed, it will not be possible for us to cut the sources which have taken advantage of the investments in the First Plan. I have examined all the papers published by Government agencies and I have not been able to catch the sources which have benefited; no idea is given anywhere as to how this 17 per cent has been distributed.

In page 26 of the Second Five Year Plan, however, some idea is given as to how this 17 per cent has been distributed. It has been distributed amongst agriculture and allied pursuits, mining, factory establishments, small enterprises, construction, commerce, transport and communications and professions and services. It is shown there how the increased national income has been distributed in these various spheres. According

to this, the lowest figure of 14 per cent is shown against small enterprises and commerce, transport and communications. I have some experience, and if I may say so, the fact that income in commerce, trade and communications has increased only by 14 per cent is not correct. In transport, goods are carried by lorries and buses and we know that large profits are made; possibly, all those profits are not shown in the accounts. To my mind, there must have been a clear profit of much more than 14 per cent, which is shown here.

Coming to agriculture and allied pursuits, the figure given is 18 per cent. If we analyse the figures we will find that nearly 75 per cent of the people who are following agricultural pursuit get only about 25 per cent of the national income. The greatest amount of profit has gone to factory establishments, the figure being 43 per cent. Therefore, the new taxation proposals of the Finance Minister must be examined with reference to these figures.

The tax that is to be levied on diesel oil is bound to affect the people engaged in agriculture, who are using diesel oil. This matter has been raised in the other House and I have seen the Finance Minister's reply to it. As has been pointed out to him, the Madras Government in its Budget for 1956-57 proposes to increase sales-tax on diesel oil from 1½ annas to 4 annas. That means, diesel oil is going to be taxed both by the State and the Centre and the price of diesel oil will go up very much. The result will be that the agriculturists who are getting some benefit by using diesel oil will lose that benefit.

If we analyse the figures regarding agriculture and allied pursuits, we find that the wages of the labourers have risen, as they should. But, the prices also are going down. I would like to know whether this principle, namely, that people who have profited by the First Five Year Plan should be taxed first and taxed well, has been followed in the new taxation proposals of the Finance Minister.

I will read the Finance Minister's reply in other House:

"It has to be adjusted but so far as the Centre is concerned, what the Centre imposes must have precedence."

When it was pointed out to him that States also are levying taxes, on diesel oil he said:

"It is unfortunate that sometimes excise duty is in addition to, as one hon. Member pointed out, the sales-tax that the States are imposing. Now, that is one of the problems of taxation for which no ready answer is forthcoming. It has to be adjusted, but so far as the centre is concerned, what the Centre imposes must have precedence."

But the States will say that they must have precedence because they are in charge of nation-building activities. The result is that the people are taxed both ways. As I said, the taxes on diesel oil are bound to have a bad effect on the agriculturists. I hope this matter will be examined and the tax on diesel oil may be reduce. The sales-tax is the biggest source of revenue, so far as the States are concerned. As far as excise duties are concerned, our imports figuring in the previous decades are bound to be less and less in future, as our industries are bound to develop as time goes on. Therefore, in future the excise duty is bound to figure in a larger measure in the Central Budget than before. I would ask the Government of India whether it is too much to arrive at an understanding with the State Government even before the levies are made, so that there will be some idea as to how they can divide the taxes in a way that taxes do not fall on the same person more heavily than before. This is something which is well worth an examination, because these things will arise in future also.

[PANDIT THAKUR DAS BHARGAVA in the Chair]

**The Minister of Finance (Shri C. D. Deshmukh):** Is it suggested that in regard to specific proposals we should consult the State Governments?

**Shri T. S. A. Chettiar:** That cannot be done; but with regard to certain proposals, you can have consultations on general grounds. Certainly when we are discussing about these things, we can discuss the ways in which these double taxes can be avoided. It is not for me to say how it can be avoided. It is for the Government to find out. Perhaps the Finance Commission which has been set up to divide the sources of income between the Centre and States will have its own suggestions to make in this matter.

I am coming to another matter, which brings me directly to bonus shares. There has been a lot of noise today about the imposition of tax on bonus shares.

As I have read from the statistics, the sector which has had the largest profit in the investment in the First Five Year Plan is the factory management sector. I feel that factory management, the corporate sector as it has been called, can bear a much larger taxation than it has borne till now. The various objections that have been made about the tax on bonus issues, cannot bear examination. They say that a company's worth and earning capacity is unaffected, the shareholder's equity is unaffected, the dividend distribution is unaffected, and the market value of shareholding is unaffected and so this tax should not be levied. Taxes are levied even on professional incomes. Income-tax is levied not on any other consideration but only because we want to raise revenue and the people can bear the tax. So, these are by no means objections which can bear examination.

There was only one objection that was valid, and that is that the taxation on bonus shares may have a deleterious effect on saving of reserves, on ploughing back of reserves by the company for further investment. If we examine the investment history of many of our companies, I come from an industrial area and I know that many of cotton textile mills have extended their spindleage mainly by capitalising their profits by the issue of bonus shares by which the profits made additions to their capital, so that they could expand. That is an important reason for saying that bonus shares should not be taxed. But the Finance Minister has been very clever. (*Some Hon. Members: He is clever*). There has been a recent tendency in the mills to issue higher dividends so as to escape from this Damocles' sword of taxation of bonus shares. But by his proposal of taxing the dividends over 6 per cent the Finance Minister has equalised the position, so that either way the tax has to be paid. And I hope the mills will now consider, "I have to pay the tax this way or that way, and so let me capitalise the profits and issue them as bonus shares so that they will be ploughed back." When this has been done I think we can rest assured that the profits will be ploughed back.

**Shri C. D. Deshmukh:** What does the hon. Member mean by ploughing back?



[Shri C. D. Deshmukh]

Because, if there are reserves they would have been ploughed back in the business.

**Shri T. S. A. Chettiar:** Suppose 25 per cent or 50 per cent profits are made. If they are issued as bonus shares the money remains with the company. But if a 50 per cent dividend is paid....

**The Minister of Defence Organisation (Shri Tyagi):** 50 per cent dividend is exorbitant.

**Shri T. S. A. Chettiar:** I know in war time cent per cent dividends were paid, 50 per cent dividends have been issued. There is one concern which has given bonus shares to the extent of eight times. They did not give it as dividends but as bonus shares, with the result that they retained the money to themselves. And now with no incentive to give higher dividends—because there will be the tax on the higher dividends—I hope there will be an incentive to give lesser dividends and to issue bonus shares, so that the money will be available for the expansion of the industry and such expansion will not be affected by these proposals.

Now, I would like to come to another matter which has been referred to by the previous speaker. Today our expenditure has gone to very great proportions. I remember when we came to this Assembly in 1935 the expenditure of the budget of the Government of India was a hundred and odd crores of rupees. But today with a revenue expenditure of Rs. 545.43 crores, a capital outlay of Rs. 316.7 crores, and loans to the State Governments and others amounting to Rs. 386 crores, the annual budget for the year 1956-57 is Rs. 1,248 crores.

The Finance Minister has advisedly appointed a committee to go into the matter of expenditure. But I would like to examine how this House stands with reference to this question. Today for the examination of public expenditure we have two committees, we have the Public Accounts Committee and we have the Estimates Committee. The Public Accounts Committee examines the accounts of the previous years. An amendment has been made with regard to corporations. In the recent years we have been starting so many independent corporations under government control, most of them government-owned

and government-directed. There has been also expansion of public expenditure. The result has been that the control of this expenditure by this House has been considerably weakened. To my mind it is almost nil. We pass crores of rupees by way of supplementary grants in two or three hours, and even the time we have for examination is nil. There is nobody which examines whether the supplementary expenditure has been justified. To my mind it is absolutely important that this House must have a say in this matter. This House, constituted as it is, in this size, cannot go into it. Naturally, we have to go into committees. And the committee way is the way that has been followed by the various Parliaments in other countries. The book that has been referred to by the previous speaker, *Control of Public Expenditure* by Chubbs gives in a revealing way as to how the British Parliament has sought to control public expenditure. They have not only the Public Accounts Committee and the Estimates Committee but they have, what they call, Select Committees and what we may call Standing Committees to go into the expenditure of the corporations. They have other committees which go into the supplementary grants. In India even in the previous days we had a Standing Finance Committee before which all proposals for supplementary demands for grants were placed. They examined them. Today I must say, having the experience I have, that the control of public expenditure by this Parliament is almost nil.

With this expanding expenditure it is necessary that we should devise ways and means for controlling public expenditure. And the only way by which it can be done is to appoint committees elected by this House, representing various parties according to proportional representation, so that they can go into details. As the author of this book to which I just now referred has pointed out, "Active select committees, criticizing and appraising the conduct of public business, have a powerful effect at once deterrent and stimulating, and they go as far as it is possible to go under our present system of government to enable the House of Commons to see that it gets twenty shillings worth of goods for every pound it spends."

**Shri K. C. Sodhia (Sagar):** What is our experience of Public Accounts and Estimates Committees?



**Shri T. S. A. Chettiar:** Today I think in this matter we, the party in power, having a large representation in this House, have a responsibility to set good traditions for this House for the future. And I think the Finance Minister will be well advised to bring proposals before the House to appoint fresh committees, besides the two—there are the Public Accounts Committee and the Estimates Committee. Today the Public Accounts Committee can also go into the accounts of public corporations controlled by Government but it has no time and it cannot possibly do it. I would suggest that two fresh committees must be appointed, one to go into the accounts and the running of public corporations like the Indian Airways, the Hindustan Machine Tool Factory, etc. I am advised that some of them are over-capitalised. But I shall not go into those matters. Neither do I have the time nor have I the detailed knowledge. But it is necessary to go into them, and it is necessary for a committee of this House to go into them. And these two committees, one to go into the accounts and the running of public corporations controlled by Government and another to go into the supplementary grants required by the Government, these, Sir, will go a long way in establishing the control of the House over this large amount of public expenditure—not only large but growing amount of expenditure.

I understand, at least from the Education Ministry, that for the next year what has been allotted to them is not one-fifth of the amount allotted in the Plan, but it is on a 15 per cent basis, because they would like to know their resources and working before opening. The expenditure is bound to grow in future years, and it is necessary that we should appoint these agencies which will go into these matters, so that the vigilant eye of this House will be exercised on the control of public expenditure.

The hon. Finance Minister referred in his Budget speech to the falling prices in the agricultural sector. Undoubtedly, there has been a fear expressed by the agriculturists in various areas about this fall. May we know the reason for this fall? It is not as if as in America there is a surplus available which the people are not able to consume. Many people are underfed even today, we know it. Many people do not get a full meal on many days, we know it. This fall in the prices is due to the fact that the people do not have the purchasing capacity. They do not have

the resources to purchase these things. It is not as if we produce agricultural goods far in excess of our needs. This takes me directly to the problem of unemployment to which my hon. friend the Finance Minister has referred.

Recently I read in the Budget speech of the Travancore-Cochin Finance Minister the following facts which are very revealing. They made a survey and collected certain statistics. The figures are tremendous. It is said;—I am quoting—

“Coming now to the pressure of dependency in the State, out of 61·70 lakhs of persons aged 15 years and over, only 18·63 lakhs are earners. Fifteen lakhs are having irregular employment and the remaining 28 lakhs are complete dependents. A further analysis of this problem reveals that in the most impressionable young years 15 to 24, only 3·47 lakhs out of 20·75 lakhs have regular employment and almost 13 lakhs are complete dependants.”

Then it is said:

“It would be wrong, however, to conclude that all these 35·52 lakhs of persons are unemployed as 2·96 lakhs are not in a position to make their living due to old age or illness and 1·81 lakhs are in educational institutions. Omitting this, actually, 30·75 lakhs of persons—10·28 lakhs men and 20·47 lakhs women are able to work but have no opening to earn a livelihood.”

This is a very pitiable matter. The Planning Commission has set up a study group to study the problem of the educated unemployed. They have said that they expect the matriculates to number 30·46 lakhs, Intermediates and equivalents 5·25 lakhs and Graduates (Degree and Diploma Holders) 15·28 lakhs, making a total of 50·99 lakhs. They have said:

“The magnitude of the problem that we have to consider is, therefore, the provision of about 20 lakhs of jobs for the educated in the Second Five Year Plan if unemployment among them is to be eradicated.”

Our Budgets, our ideas of the Five Year Plans and a welfare state will be directly measured by the employment that we can create in the Second Five Year Plan. Nothing is more important. Even the indiscipline in the Universities,

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about which many are talking so much, is certainly due to the frustration that faces the students in the field of employment. If Calcutta is so volatile, the reason is, there are thousands of young men and young women who are educated, but do not know what to do. This is the problem that we have to face. We do not have till today any details, except general information, as how expansion of industries is to take place. Apart from that, we do not have any plan to face this problem straight. To the extent that we do not face it straight, our plans will be defective and will not also succeed. It is necessary for the Second Five Year Plan that the country must be able to sacrifice much greater than before. After all, building prosperity means investment. I am sure the people are prepared to make that investment. At the same time, it is up to us to prove that every pie that we receive is being properly utilised. With regard to the details of taxation, I think we will have some time during the discussion of the Finance Bill. Today, I would not like to take more of the time of the House. I have raised three points. I hope the Government would be able to do some thing positive for the solution of the unemployment problem.

Along with this, another matter is tied up and that is the question of our educational system. So long as we have the present educational system, everybody is agreed, unemployment will be there as it is. Who is it that should change this educational system. We talk about Vice Chancellors; we talk about others. The community has no other institutions to go for higher education and so they send their children to the colleges. Is it not our responsibility, is it not the state's responsibility if we maintain these colleges which do not make them fit for anything else? Till now, we have shown an indifference towards the building up of the new educational system in this country. That indifference has cost us so much. Every one who is turned out of the arts colleges, high schools, etc., is considered raw, actually fit for nothing. If he is to be fit for employment, he has to undergo a further training for a period of 2 or 3 years. If it is technical education, it has to be 3 or more years, for some other course 1 year, for the teachers' training 1 or 2 years. This shows that the educational system has no definite objective. The Government must take this problem immediately into its hands. Unless this is done, we will suffer a great

deal, because our future is in the colleges. Frustration in the minds of the students is not paving the way for a great future for this great country. We must face the future by reorganising education and allotting proper amounts for this reorganisation. Upon that depends the future of the country.

**Shri H. N. Mukerjee** (Calcutta North-East): We are discussing the Finance Minister's first Budget for the Second Five Year Plan period, and, as the Budget is an integral part of the Plan and a major instrument for its execution, it roused very naturally certain expectations. The Finance Minister, however, has belied such expectations to the relief of big money interests, a relief which they have not hesitated to express, and to the disappointment of all those including, I expect, some even in his own party, who wished him, at this seminal stage of our history, to shed his cultivated aversion for a real overhaul of our economy. It is not a surprise, however, for us, because, though in this Budget the Finance Minister has indicated a few good steps, he has shown, by and large that he knows how his party's political bread is buttered. Especially, on the eve of the elections, money talks and he cannot afford to alienate certain people.

I do not grudge the Finance Minister the satisfaction that this Budget has for its background an increase in industrial and agricultural production and a diminution of the deficit in the balance of trade. He has given the relevant figures and as far as they go, they are good. But, there is no room for complacency. After all, not much more than 19 per cent of our total sown area has irrigation facilities. It has been said often that bountiful monsoons for three years in unbroken succession have assisted our agricultural production. If by any mischance that goes down, it will also have an impact on industrial production. Our search, therefore, must be, for stability as well as for development. To me, however, the Finance Minister's budget, in spite of the comparatively favourable background in which it was formulated, is disappointing as far as the needs of developmental planning are concerned.

Nobody wishes to be dogmatic, but the character of the social pattern, whether it is socialistic or just plain socialist will not be judged by comparative production figures alone, but even more by the distribution of benefits. I have heard often a thesis that equitable distribution must wait till production has reached a

certain peak. On the contrary, I aver that production cannot significantly and qualitatively increase if it does not find a suitable and expanding market, and the market which has expanded in some sectors but not in the stratum of those living at the subsistence level can expand only by the equitable distribution of benefits.

In regard to that we know that the total national income over the First Five Year Plan period has increased by some 18 per cent, but there is good reason to believe that this increase has taken place mainly in the upper income groups. A few years ago—I have not got the very latest figures—Dr. V. K. R. V. Rao computed that incomes below Rs. 25,000 a year which were 81.9 per cent of the total taxable income in 1931-32 fell to 65 per cent in 1950-51 when the First Five Year Plan was just being inaugurated, while those above Rs. 25,000 rose from 19.1 per cent in 1931-32 to 35 per cent in 1950-51, thereby widening the range of inequality in the non-agricultural sector. Lack of data forbids a comparison of the exact position at the present moment, but the closure of many small concerns during the initial years of the Plan and the record profits of the big concerns during several years—1951, 1953, 1954 and 1955—go to prove that the inequality has not only not narrowed down, but has further widened.

It is suggested that very steep rates of taxes on profits have been levied and that has helped to restore the balance. But I find that on this point, Professor D. R. Gadgil said in one of the papers contributed to the formulation of the Second Plan:

"It is suspected that concentration of wealth and economic power has increased in the private enterprise sector during the First Five Year Plan. That the inequalities in India are today uncommonly large is patent."

This he said in one of the papers contributed to the Planning Commission.

Now, in spite of there being what might appear to some people to be very steep rates of taxes on profits, we find that post-tax figures of profit have been progressively mounting. I have got some figures worked out from the relevant documents like the Reserve Bank of India publications, and I find that if you take the assessed income of companies and then the total tax paid including tax on dividends paid by shareholders and then

the income of companies after payment of tax, you find that from 1950-51 to 1953-54 there has been a very significant increase. For example, I find in 1950-51, 146 companies with their assessed income paid a total tax of Rs. 70 crores, and after payment of tax they had an income of Rs. 76 crores. In 1951-52, 200 companies paid a tax of Rs. 92 crores and had an income after payment of tax of Rs. 108 crores. In 1952-53, 200 companies paid a total tax of Rs. 102 crores and had an income after payment of tax of Rs. 108 crores. In 1953-54, 220 companies paid a total tax of Rs. 96 crores and had an income after payment of tax of Rs. 124 crores.

Apart from these, there are hidden profits and tax evasion. As regards the hidden profits, we do not quite know exactly what the position is, but during the time when the Tata-Birla Plan was being formulated, we had figures like Rs. 1,000 crores which were concealed and which could come out.

In regard to tax evasion, I found one of the documents submitted to the Planning Commission before it prepared the Second Plan, a document prepared by the Gokhale Institute in Poona, which says after making some computations that assessed income may at the very lowest be said to be reduced by all kinds of machinations by Rs. 75 to Rs. 65 crores. We find also how the Taxation Enquiry Commission has pointed out that to compare the disclosed income after the disclosure drive sometimes the concealment has gone to the extent of 600 per cent. So, the position is rather bad. I say this because I want to challenge the patriotic instincts of some of my friends here who say that their consideration is primarily the consideration of the country. This kind of thing is bruited about not by propagandists from political platforms, but they are mentioned in very sedate documents. Even the other day the Finance Minister when he presented the life insurance nationalisation proposition, made a speech which could have come from anybody on this side in certain respects. I challenge their patriotism and I say that they have to come forward to tell the country what is what, and they have to realise that if we are having a socialist pattern of society, after all there will be a termination of this process of achieving the socialist pattern of society, and when that termination comes the private sector cannot go on merily. They have an assumption to my mind it appears, that the

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private sector is going to have for all eternity a kind of partnership in the scheme. That will not be if we have a socialist pattern of society. It is a process. You may go gradually, you may go very wisely as the Finance Minister tries to do, but at the same time there is a terminus, and that terminus is going to be reached by this country as soon as we possibly can. And therefore I felt that the capitalists in our country are on trial and they have to come forward and say that they are playing their part.

I do not think I shall have time to go into the question of the capital structure of our companies, but there again we find evidence of steep concentration. But even more than that I would say that the worker's share in the product, the national product, is growing less, and that is something which militates against the whole pattern of socialism. According to the *Indian Labour Gazette* the productivity of factory workers during the period 1950-54 rose by 43 per cent while their real earnings rose by only 14 per cent. If this is the kind of position that we have, naturally there is room for worry. There is room for courageous steps in order to rectify the situation.

I need not also perhaps refer in any detail to the employment position because it is recognised by everybody that the employment position is bad. But the employment position is surely a major index of the people's standard of living, and it also reflects the benefits reaped by the common people. I find from a report made by Dr. Anjeria who is consulted very rightly by the Planning Commission and by other governmental agencies, that he has said:

"Industrial output has increased by almost 50 per cent in the last five years, but there has been little increase in industrial employment."

This is a matter which is very serious. This is a matter which has got to be taken account of by Government, and I feel, therefore, that we have to take courageous steps, steps which are imaginative which are in conformity with what the people desire.

In regard to the question of mobilisation of resources it is necessary that I revert, if only for a short while, to a point which we have brought up very often in this House, and that is in regard to our attitude towards foreign investment in this country. I was quite interested to find in a paper submitted by Dr. K. N. Raj to the Planning Commission

that he suggests that it is necessary that we expand the scope of State enterprises with a view to earning profits. And he adds:

"This is desirable not only because it will enable a larger part of the investment programme of Government to be supported by its own income but also because it is better to prevent profits being made at points where they are likely to be used for a wrong purpose, than to allow them to be made and then to try and catch them."

My friend Shri T. T. Krishnamachari has often told us how he has found it very difficult to catch the thieves. Dr. Raj adds:

"One possibility to be explored in particular is the nationalisation of plantations covering tea, coffee and rubber. The possibility of developing new cashew-nut and pepper plantations owned by the States needs also to be considered. With the large foreign demand for these commodities, and the inevitable growth in internal demand, not only is the scope for making profits large, but the sooner these enterprises are nationalised, the better, because of the large capital gains that are otherwise certain to accrue to their present owners. The fact that a good part of the capital in the plantations is foreign makes these considerations more urgent."

He says that he has no particular animus against foreign capital as such. But because we are going to have some sort of developmental economy, all these enterprises are going to benefit by it, and if at a later stage we take them over, we have to pay through our hats, which we need not do; it is better that if we have any programme, we should move as fast as we possibly can.

I do not suggest that Government at this present point of time are ready for the kind of radical step which perhaps I would like, but at least Government might come forward and adopt some very concrete measures.

I think last year one of our Congress colleagues, Shri K. P. Tripathi, had even suggested—I do not quite know how it can be worked out—that our sterling balances might be exchanged for the paid-up capital of British industries in India. I do not suggest very concretely that this is a matter which can be gone into at once, but I want Government to

consider this matter, because if we do not take over those foreign concerns which we may have to at a later point of time, we shall have to perhaps pay inflated prices for taking them over considering Government's policy regarding the payment of compensation.

Secondly, it is necessary to stop the drain of a large part of our capital formation here and now. And thirdly, it would give the State a much greater grip over the economy to enable it to plan properly.

I feel that in regard to industrial development, Government are rather careless about certain matters, and I find that there is no provision for training for designing. I find that in Calcutta at the moment there is being held an exhibition of Indian patents, and this exhibition has been commended upon by the *Bombay Economic Weekly* which says :

"The percentage of Indian applicants for patents does not seem to have changed at all, and it is a very low percentage."

And then it adds:

"It is a sad commentary in our patents Acts that the protection they offer to foreign patentees is so elaborate and so well-guarded that developments in many fields, e.g. chemical industries, have been seriously inhibited in consequence."

I have heard it said in this House by the late Dr. Saha that there was a gentleman called Dr. Mathur who had suggested that we could have in this country an institution where we could get patents from abroad and copy them straightaway. That may be a move which may not appeal in the Finance Minister's conscience. But in countries like Japan and the Soviet Union, they have done it, and done it very efficiently. And I know it for a fact that in Chittaranjan or in the DVC we have engineers who can do the job straightaway. If we can copy these patents, it is necessary to do it as soon as ever that is possible, but we have not done anything in regard to that.

Then, I find that in places like Chittaranjan or the DVC or the other establishments, so many people are coming forward and showing tremendous aptitude for technological work, but there is no attempt to train them. There is no attempt to set up a machine-tool factory properly speaking with our own people, when our own people are there just for the asking, and sometimes many of them are being thrown into the scrap-heap.

Then again, there is the question of administrative reform. If we are going to have a plan properly executed, then the administration has to be corrected; there has to be contact with the people; there has to be some kind of decentralised activity also; there has to be at every level association with the people and there has to be a weakening of the present bureaucratic tendencies which you find when you go to a place like Chittaranjan or the DVC.

I know there is a great deal of work which warms your heart, a great deal of work which our common people are doing, but as far as the top direction is concerned, I am very sorry to have to say that there are many complaints which we hear from time to time, complaints which I fear are very well-grounded, and it is necessary therefore that these administrative reforms are given proper attention to by Government.

I want also to add that I find that the Tariff Commission sometimes delay in giving their reports about particular industries, and that does not help. I feel that the Tariff Commission should be told that they act in a quasi-judicial capacity, and when they have gone to inspect a particular industry, they should not take too long over giving their judgment in regard to that matter.

If we put all these things together, administrative improvements, expediting the work of the Tariff Commission and improving its quality, making arrangements for training for designing, and having permanent units for machine-tool workers and so on and so forth, then we can make some headway in the days of developmental economy.

Turning to the question of deficit finance, which is naturally a headache to Government as well as to the country, I feel that even though Government have expressed their desire that all necessary precautions are going to be taken in order to cope with deficit financing, I have a suspicion that the magnitude of the deficit financing is such that with present measures as announced by the Finance Minister, there is not much prospect of our being able to successfully control it. I say this because it should be remembered that the effect of deficit financing need not necessarily result in an inflationary price increase tendency in all sectors. It is quite possible to generate inflationary price increases in some sectors, while prices in some other sectors might even be registering a fall. In our economy, we have

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seen how prices of agricultural products some time back decline drastically, and the price of manufactured articles rose.

Now, when we speak of inflationary possibility, we do not always think of an all-round inflation, but also of the possibility of the profit inflation in some centre, and income deflation in some other.

If Government had resorted to deficit financing with a thorough-going programme of income redistribution, then the position might have been different. But in the absence of such radical measures, deficit-financed inflation can only depreciate the real earnings of the workers, the peasants and the salaried personnel.

I know that Government have told us that they have plans for creating import surplus as an anti-inflationary measure. Import surplus created by the import of machinery and other essential industrial raw materials is certainly unobjectionable, but if we have to import consumer goods to counter inflationary tendencies, it defeats the very purpose of credit-creation. I know that in this regard some work has already been done, but yet there are some items, the luxury of which we cannot afford, and which should be avoided to maximise the amount of foreign exchange for industrial purposes.

I feel also that Government must be ready with a programme of physical control over essential commodities like foodgrains, cloth and raw materials, so that in the case of the emergence of any inflationary pressure, the programme of control can be enforced with the least possible delay. That would be an important safety-valve against the effects of inflation.

I see again that as far as the taxation proposals are concerned, there are some items which are certainly welcome. The tax of two annas on the issue of bonus shares, the tax on dividends above 6 per cent, the withdrawal of the rebate of one anna on income at present given to non-section-23-A-companies and so on and so forth—I need not enumerate them—they are quite welcome.

But, Sir, my fear is that they do not go far enough, and the net effect of imposing a list of changes which are supposed to militate against the interests of big money is an increase of only Rs. 10 crores. On the other side, the net additional revenue from the

changes in excise duties will amount to Rs. 25 crores, and these are proposals that hit the common man. Duties on all categories of cotton fabrics have been raised by 6 pies per square yard, except on saris and dhotis of the coarse category. The levy of a new excise duty on soaps manufactured by non power factories and the new excise duties on mustard, coconut, linseed, groundnut and other vegetable oils—very euphemistically called non-essential oils is bound to hit the common folk. As a matter of fact, when I heard the Finance Minister using the expression “non-essential oils” I was quite happy. I took them to be oils which were not essential for day to day living. Then I understood that the meaning of the term was very different. Now, Sir, I find, therefore, that these changes in excise duties are going to bring in two and a half times what the imposing list of changes in income-tax is going to bring and they are going to hit the common man. There is no reason why we should have recourse to these rather than to something else.

1 P.M.

Now, Sir, I do not say that we should not have indirect taxation. On the contrary, when we have a Plan, we have to have taxation. When the people really realise that the Plan is working in a manner which they like, when the people begin to enjoy at least something of the fruits of their labour, then very spontaneously they will come forward to share heavy taxation. But now at this present point of time to have this particular pattern of taxation is, to my mind, extremely undesirable.

Sir, direct taxes perhaps have, in addition to their revenue yielding capacity, some value as anti-inflationary measures. But that is not at all sufficient to mop up the increasing purchasing power that will accumulate at certain points in the hands of the industrialists traders and contractors in the higher income groups as a result of the huge deficit financing. The raising of the rate of estate duty, the ceiling on income, at least the annual tax on wealth, about which so much was heard, are conspicuous by their absence in the Budget proposals.

So far as the tax on bonus shares and imposition dividend above 6 per cent. are concerned, they represent a partial victory for the progressive forces in our country.

**Mr. Chairman:** The hon. Member has five minutes more.

**Shri H. N. Mukerjee:** Half an hour was the time fixed.

**Mr. Chairman:** The hon. Member has taken twenty-five minutes. He has five minutes left. I only warned him in advance.

**Shri H. N. Mukerjee:** I shall finish in five minutes.

Sir, we know about this matter of bonus shares. Most of the evasive practices have so long flourished because of the non-inclusion of bonus shares in the definition of dividends.

Now, so far as the withdrawal of the rebate on undistributed profits is concerned, Government seems to think that since the dividend tax is in the nature of a deterrent on the distribution of profits, there is no more any need to offer inducement for the retention of company earnings in the industry. But the *Times of India* the other day pointed out—I am quoting.

"While it is evident that some of the plantations and mining companies which pay comparatively large dividends in relation to paid-up capital may be affected by the dividend impost, most of the major units will not find the tax to be of such a magnitude as will necessitate a dividend cut."

I find also, Sir, the *Hindustan Times* writing on the 8th of March:

"The dividend tax at its present rate, is too weak to restrain dividend consumption, but its possibilities are ominous enough to prompt industries which are making good profits to step up dividends and make hay while the sun shines."

The hint is pretty clear.

So far as the increase in the super-tax payable on incomes above Rs. 70,000 is concerned, I wonder why a lower slab was not chosen. When the Taxation Enquiry Commission recommended the ceiling of income being fixed at thirty times the average family income which works out to about Rs. 50,000, there is absolutely no justification for fixing the limit at as high a level as Rs. 70,000. We find also that, as it was said by the journal *Commerce*, on the 3rd of March in the case of most industries affected the market is in favour of sellers now and they will be able to pass on the bulk of the increase, if not the entire increase to

consumers. Now, that being so, I feel that Government's taxation policy requires a great deal of rectification.

We have to remember that receipts under customs and excise duties have risen, the two together, from 42 per cent of the total revenue in 1947-48 to 64 per cent of the total revenue in 1954-55, while Central receipts under income-tax have, on the other hand, declined from 64 per cent in 1947-48 to 37 per cent in 1954-55. These are some of the matters on which I think Government ought to bestow some thought before it makes up its mind about the taxation pattern.

I have very little time: that is why I cannot go into certain other matters which I wanted to discuss, but I feel that we have certain alternative suggestions to which Government might pay some attention.

Bonus shares, my suggestion is, should be prohibited altogether because there is no real justification. Developmental planning demands purposive canalisation of every pie of our investible resources and therefore this business of bonus shares should be abolished altogether.

Then there must be dividend limitation which is a matter suggested even on behalf of certain of our progressive capitalists. Then, Sir, State-trading must be undertaken not only in relation to foreign trade, but also some sectors of internal trade. Then, Sir, the estate duty rate should be raised. Then, the excess profits tax might very well be restored and worked according to present day conditions. As my hon. friend Shri Asoka Mehta suggested a capital gains tax must be imposed. A ceiling on personal incomes should be imposed as quick as ver that can be. The annual tax on wealth should not remain a mere propaganda guide, but should remain a real matter of fact. Blank transfers in stock exchanges must be prohibited and realisations of stamp duty enforced; thereby you could save perhaps a good few crores of rupees. The gold hoards in the country in the safety vaults in Calcutta and Bombay and such other places might very well be tapped. The money need not be taken over, or expropriated. They could be utilised and an interest of reasonable dimensions could be paid on that sum. These are some of the suggestions which I wish to put forward and I feel that Government should, if it is really serious about its socialistic pretensions, try to behave in the manner that we desire.



[Shri H. N. Mukerjee].

I shall finish in one minute. Government says it has espoused socialism, the about espousal, I am reminded of an English rhyme which has reference to the adage that an apple a day keeps the doctor away. Now belief in this easy remedy produced a great disillusionment, for the rhyme said :

When I was young and starting life,  
I loved a famous doctor's wife ;  
I ate an apple every day ;  
To keep the doctor man away.

Naturally, there was disillusionment to follow, if you espouse socialism, you cannot just adopt a few footling little measures to keep the grip of long consolidated capitalism away. You should have courage and determination. You have to adopt bold steps and if you say you believe in 'gradualism' as I have said before, after all there must be an end to it. Then, again, if you want to go ahead towards socialism, do not mix things too much. Mixing your drinks is bad enough. So is mixing of socio-economic techniques. I quite understand that a municipality has to supply filtered as well as unfiltered water.

But it is hateful when there is as in Delhi, a Joint Water and Sewage Board. The Finance Minister has to find out ways and means so that the pure waters of socialism are available to our long parched people, but his Budget disappoints us as far as that direction goes.

**Shri S. K. Patil (Bombay City-South):** I rise to make a few observations on this Budget. I shall concentrate on one or two items of it which, to my mind, are very vital to the Budget and which, if I may say so, are completely ignored, because they do not appear to be very romantic.

Ever since these budget proposals were made, we have read a spate of criticism in the Press and we shall be listening to it in the House for full four days. Budget, to me, is a reflection of the economic picture of the country and the test that we should apply as to whether the Budget does correctly reflect the economic picture is whether it adequately and accurately sustains, develops and strengthens that economic picture. Judged from that standard, although the Budget may not appear to be romantic, it appears to me to be the right type of Budget. But the things on which I want to concentrate attention, as I said, are not only vital, but unless

we concentrate on them, our economic structure will not meet with the success that we envisage. We have often heard the talk that the pattern of capital formation in this country is changing—and has changed. It has got to change and none need be sorry about it. But then what is to come in its place? You cannot change a pattern without having something in its place, sound and reliable. It used to happen in this country before India was free, and even for some years after our freedom, that whenever we wanted capital formation we had the usual channels, banks, insurance companies, and a few capitalists who, according to Shri H. N. Mukerjee, are on trial. And we did not want a very big sum, Rs. 50 crores or Rs. 100 crores annually, 80 per cent of which is easily subscribed in less than one minute on the Exchanges by these banks, insurance companies and the capitalists. But in a Welfare State, in a socialist society with a progressive economy, with ambitious plans one after the other the quantum of our borrowing or capital formation has advanced tremendously—five or six times, it will be ten times very soon. And therefore, we have got to think of ways and means on which we can permanently rely. It is from that point of view that my observations emanate.

Even if we look at the Second Five Year Plan, we find that half the money that is sought to be made of the total outlay of Rs. 4800 crores is of a doubtful character. You have taken credit, if I may say so of Rs. 1200 crores deficit financing; for Rs. 800 crores you look to other people to help you, and even then you need Rs. 400 crores to close the gap. Therefore, 50 per cent of the money involved in the entire outlay is of a nature which really does not inspire any confidence in us. I am not saying so in order to criticise that Plan, but as a background against what I am going to propose. Therefore, we have got to think of those means and our constructive efforts in this country must lie in that direction.

That brings me to the subject of what is known as the small savings. The terms 'small savings' might have that meaning in the old days, but they are going to be our only savings in the future pattern of our capital formation. Years back, we did not depend on them; they were a negligible part of our budget or capital formation. We used to expect something like Rs. 10 crores, Rs. 20



crores, and when a target of Rs. 45 crores annually was reached, we felt very hilarious about it—that we had reached that target. I very respectfully submit, looking to the large national income—I am not talking of the *per capita* income it is very small—of the order of Rs. 11,000 crores annually and looking to the Budget which has now come somewhere about Rs. 540 crores, our income for this—it is not income it is a loan—source must go in another ten years to something like at least Rs. 200 crores annually. How is that to be done? And if it does not happen, that means we are not proceeding in the right direction. You have seen in this Budget and in the Five Year Plan that you have already taken credit for Rs. 500 crores from small savings. This year, you find that it would be somewhere about Rs. 70 crores. If it is Rs. 70 crores this year, in order to reach that target of Rs. 500 crores, you have got to increase it by 25 per cent every year—not to talk of how to cover the gap of Rs. 400 crores that you have left. If the idea is that if no other sources are available, then deficit financing should be increased from Rs. 1200 crores to Rs. 1600 crores, it is a most dangerous process. And surely this is not the only Plan; we shall have Plan after Plan if India wants to stand fairly and squarely on its legs in this economic competition in the world. Therefore, we have got to find out ways and means as to how these things which you call small savings but which are national savings, have got to be encouraged so that they give us more returns than what we imagine.

I am glad that the attention of the country and of the Finance Minister has been drawn to the importance of national savings. I find a very illuminating chapter in his speech which concentrates attention on the small savings and national savings, and creates a new hope that the country is going to reap the advantage from this source. He has provided, as I was saying, from borrowing Rs. 1,200 crores from small savings Rs. 500 crores and from other channels Rs. 700 crores. Even here you will see that the proportion has come to about 60 to 40 per cent small savings. We have attained that status slowly, but the time will come in five or ten years. When the national savings will be not only half but must have a preponderantly large share, if the country's economy is to be safe. Today we find that our total charge on the treasury from various sources is somewhere about Rs. 800 crores. But I find

that in a country like England—I am not comparing; I am merely saying it so that one could understand by comparison whatever work in this particular field is done in some of the other progressive countries—from the postal savings alone, they have got an accumulation today which is of the order of somewhere about Rs. 2200 crores, which would have financed the entire First Five Year Plan of this country. You expect in the next year somewhere about Rs. 70 crores split up in this way: treasury savings to the tune of Rs. 5 crores, post office savings bank deposits to the tune of Rs. 34 crores—the figures are from the estimates—National Savings Certificates Rs. 20.6 crores and ten year National Plan Certificates 11.5 crores. Out of this, Rs. 1.1 crores go, because some of these savings will be discharged or retired in the year that we are speaking of. We find here as against Rs. 34 crores the sum that I mentioned with regard to England; though in England it is not the sum of one year, even then the total reached there is a colossal figure so far as we are concerned, of Rs. 2200 crores. What I am pointing out to you is the potentialities of this great source for the country. In the capital formation people still believe, as my hon. friend Prof. Mukerjee was saying just now, more could have been taken from the capitalists. I agree with him; take it and take it quickly; accelerate the process so that the source become dry and we shall have naturally to depend on our own resources. I agree with it. After all, whatever you may take from the capitalists—and you have gone in income-tax to somewhere about 92 per cent, comparable to the highest income-tax in the world (you really make it 100 per cent)—I have no quarrel. But, you must realise that when you are killing very systematically, very fast and very rightly and very naturally one source, you must create an alternative source of income so that the capital formation which is necessary for the sustenance of our economy is not shattered. Therefore I come to this process. Even if the capitalists are charged more and still more, after all how long are they going to last? Twenty years! I think after 20 years this class will completely disappear to the satisfaction of some of us in this House. After that class has completely disappeared—and let us not lament over it ing that for the tears, but let there be and shed tears over it—I am not suggesting tears of joy that after having decapitated them, we have created something which is very useful for the sustenance of our

[Shri S. K. Patil]

economy. That is why I suggest this small savings, which are going to be national savings. There cannot be small savings now. The word 'small' was used in those days because there were people who could save more, who were in a position to invest Rs. 10 lakhs and Rs. 20 lakhs. But, when everybody has been flattened out, small savings becomes the only source whether you do it by the ordinary means or whether you do it by the means you have set in motion. After all that will be the main source of capital to this country.

Besides, apart from the capital formation and the economic aspect of it, there is the patriotic aspect. Everybody is expected to serve his country in a spirit of patriotism. In those days one could exhibit his patriotism by going to jail and getting hanged and all that. But that is not easily possible today. Therefore, our patriotism also has to change its pattern. Everybody must have something to do in a constructive manner by which he could say: I have done this for my country. What can be more patriotic than doing something in your own power so that the country stands economically on its own legs? Howsoever small your contribution might be, that contribution must be made. Therefore, small savings assumes that enormous importance.

It was in the last session of the Indian National Congress at Amritsar that the Congress passed a resolution lifting this subject from where it was—in a humdrum position—to a very high level and gave it the status of a special resolution of the Indian National Congress. I am very glad that that was followed up so very ably by our Finance Minister by giving a long full-page paragraph to it and expecting that this should be a very fruitful source, a very potential source of building up India's progressive economy. Having done that we must now follow it up. What are the methods of following it up? I am speaking from experience. I have been in this National Savings and Small Savings from the day the non-official committees began to be appointed years back and we did a good job of it. I may tell you that out of the Rs. 45 crores, our State gives Rs. 16 crores and our city of Bombay gives Rs. 8 crores. I am not suggesting that this is enough. I have my target for my city of about Rs. 25 crores. You must go progressively up and up and that can only be done when the proper atmosphere for that is created. And, it is our duty to create the proper atmosphere for that. Today, without blaming anybody,

without being critical about it,—the Finance Minister need not take my remarks in any sense too critical—I am merely telling what the facts of the case are. Today the Small Savings Department is a small portion of some department—I do not know how much space it occupies in the office of the Ministries—is a neglected type of department. There is one officer—he is a good officer. Unless you elevate the whole thing so that everybody's attention is drawn to it, surely, that officer can do very little. With an office, big or small, and having some offices here and there—90 per cent of them not functioning—surely, you cannot do anything. Therefore, we have now started a new method as has been explained in the speech of the Finance Minister; we are going down to the villages, panchayats, co-operative societies, taluk boards and every one of them is being made an agent so that they can infuse the spirit of patriotism among the people that it is for the people to save in howsoever small a manner in order that their country's economy should be sustained in a progressive manner. That has got to be followed up and therefore even the set-up at the Centre has got a significance. After all it is no use appealing to patriotism. This is a seller's market; there must be a lot of window-dressing about it. You cannot expect all people, however patriotic they might be, to come and say: Here is the money and I want to invest in small savings. This window-dressing will have to continue for many years and perhaps it will have to be a seller's job and, therefore, your salesmanship must be perfect. Any blemish in it or any defect in it will have to be corrected. Nothing of the kind is being done now.

I find in big places—even a big place like Bombay—we have a kind of office where nobody could come, on the 3rd or the 4th floor, with lifts continually out of order. Surely you must expect some old people also to come there, it is only they who think of the savings more than the young people. There is no attraction at all for anybody to come there; there is hardly any place to sit. I know it from experience because I have had to sit there some time—if not regularly. What I am pointing out is this. It is just like the insurance business, which is a competitive business. These insurance companies have been doing a lot of window-dressing in competition. Apart from all those who might have committed mistakes—leave them aside—the seller's job they did so well that the result of it is that you have got so

much money. You must make all these humdrum offices more attractive; they are now like post offices. I do not also want the post offices to be humdrum offices where people do not want to go in for getting postal savings certificates. All that has got to be done.

I turn to the Budget to find what the Finance Minister has done for that. It is really a good deal; it is Rs. 70 crores and next year's estimate is 25 per cent more and more until he gets Rs. 500 crores. I would even tell him that if he tries hard, he can even cover that gap of Rs. 400 crores. This source has got a great potentiality. If that is covered, I think no better success could have come to the Second Five Year Plan than that. When I look to the Budget I find that a sum of Rs. 2 lakhs has been provided for propaganda and publicity and so on. He may possibly tell me that after all it is a loan which is repayable and therefore he has got to look to the expenditure. That is correct. Already you are giving 3-3/4 or 4 per cent on it and whatever we pay over and above that by way of commission etc., has also to be paid. But, I can tell him that he must take a long-distance view of it. What you spend for creating the proper spirit in which the people would come and help you in this small savings has to be taken into account. Your overheads will come down gradually, like all insurance companies which have for the first one or two years a high expense ratio and when the business goes on and the companies become as big as the Oriental, the expense ratio comes down. There is the volume of work done. Therefore, if you merely give Rs. 2 lakhs for whole publicity of this small savings or national savings scheme what great publicity are we going to have? Somebody told me that they have not got even Rs. 50 for putting up an advertisement. How can they expect any results out of that? When I say that I am merely pleading, I am merely appealing to you that this is a source that ought not to be neglected. We call ourselves a Welfare State. It is a Welfare State and will continue to be a Welfare State in an increasing degree. In a Welfare State we spend money on all other things of social importance. Is it not necessary that this should also be regarded as of great national importance so that more and more people come and take part in this small savings or national savings? Therefore, any expenditure in the initial stages—if it is to be spent in order to popularise the scheme—will pay its dividends more

and more in times to come though not immediately.

We have got four or five methods of collecting this small or national savings but there is nothing romantic about it. Nobody even knows about it. You have to tell people about it. There is nothing wrong about it. You have National Savings Certificates and National Bonds and so on. You have got the Ten Years Savings Certificate but these must go on expanding. As in the case of insurance business you have to do a good deal of propaganda. As the actuary sits and thinks of a programme to increase business, they must produce something which will attract more and more people. You must also have continuous research. You must also have a separate department for the small savings which will continually think about ways and means by which the people's minds could be attracted over this subject—not merely these four or five things. People do not even know that there are these five methods. I may tell the hon. Members that under the existing facilities a person can invest as much as Rs. 80,000 without income-tax being paid on it. People do not know all these various forms of small savings. This is also for the large section of the people. Otherwise the cry will come, from the other side. Therefore we, have got to take cognisance of it. But the people do not know all these because we have never made propaganda, we have never approached people and explained to them. I can tell you the beneficent results of propaganda that are coming out in my State. We have started going and approaching field after field, different persons, our own servants, servants in big establishments, telling them what exactly national savings and small saving mean. As a result of it, there is an increase in the small savings investment nearly half a crore every month. We are confident that the target that we have set for ourselves will easily be realised. I am not taking any credit for my State, but when we talk about these things, we forget the mistakes that we do, namely, that in all our talks no constructive effort is made in order that the national economy may be sustained and developed. Therefore, my appeal to the Finance Minister is that he must think out methods by which these things may be stepped up. No doubt the Congress has elevated it; the Finance Minister has elevated it in his speech. Now what is required is to follow it up. We should seriously consider whether there should be a Minister in his Department specially in charge of small savings. If a

man is saddled with 50 different things, he has to pick and choose as to which is the more important one. And his choice or discretion becomes the last word on the matter. Here you have to raise Rs. 50 crores, Rs. 60 crores, Rs. 70 crores or Rs. 100 crores, which is not a small thing. Considering the number of Ministers that we have got, if we take this question up and succeed in getting a man of imagination, man who can think of new plans, man who can be depended upon, then surely we shall be able to deliver the goods. Officers everywhere, non-official committee—possibly, a committee of Parliament—can really concentrate as to how the drive for national savings and small savings could really be advanced in this country. If that is done, you will find good results coming out of it. Look at what England has been able to do and what the U.S.A. has been able to do and many European countries have been able to do. We are not even 10 per cent of what the smallest country outside has achieved in the matter of national savings.

Incidentally, before closing, I would say that we are happy that we have nationalised life insurance industry. I do not want to go into any *post mortem* examination of the position. But do you not give an impression as you seem to have done in President's address as if the socialist pattern of society has already come. The mere fact of nationalisation of the insurance or anything else by itself does not mean that the socialist pattern has been achieved. We have got to translate it into the good things which millions of people in this country must get. Have you got the proper type of persons, honest persons, that will manage these huge undertakings which the Government have taken upon themselves or will be taking upon themselves to run? When I sometimes hear panicky rumours that something has happened in some of our national undertaking it makes me sad because we take more and more responsibilities where we require hundreds and thousands of people to manage the things. Our first duty is to create the proper type of personnel, sufficiently honest and having the requisite amount of integrity, so that we do not simply recruit bad men in order to replace other bad men. That is not exactly what is intended by nationalisation of a concern. If I sound a note of warning, it is not because I do not like nationalization. It is a good thing you have done—tomorrow or after five years

you would have done it anyhow—but the question is about the recruitment of proper persons to manage the public sector. Honestly and integrity have got to be created in order that national economy may prosper and people's confidence may rise. I wish to concentrate on these two things, and the first and the most constructive thing is the national savings, and how we set about in this matter. If that is done, we shall have achieved a great success indeed.

**Shri G. D. Somani** (Nagaur-Pali): Before I proceed with some observations about the Budget, I would like briefly to deal with the challenge that was just now thrown up by my hon. friend, Shri Mukerjee. I am no equal match in eloquence and in brilliant exposition of the Budget with Shri Mukerjee, but I would like to make a simple reply and that is that I accept the challenge with all its implications. This habit of condemning the private sector and belittling the importance of its achievements, is really doing immense harm to our national economy.

I would just give one or two instances about the vital contribution that our industrial private sector has made to our economy. Take for instance the question of the premier industry, the textile industry. Our country at one time used to import about 2,000 million yards from abroad. What is the position today? Not only our country is self-sufficient in the matter of internal supply of our cloth requirements, but our textile industry is competing in the international markets, against advanced countries like Japan and U.K. (Lancashire). And the industry is able to export something like 900 million yards for the various markets of the world. Look at the achievement of the cement industry. The production in 1948-49 was about 15,00,000 tons; the production of cement last year was 4.5 million tons. Instance after instance can be given where the long history of the development of private industries in this country will show, as to how they have waged continuously a life and death struggle against heavy odds and have now placed our national economy in a position whereby not only those industries are meeting the requirements of the entire internal market, but are also making a valuable contribution towards export and earning valuable foreign exchange. I do not in any way minimise the seriousness of the irregularities or misdeeds that might have been committed by a section of the business community. Comrade Mukerjee referred to the speech

of the hon. Finance Minister regarding life insurance, but I would like to remind him and the hon. Finance Minister, about the offer that I made, namely, let an impartial commission go into the entire field of life insurance industry administration in private hands; let them take note of the positive achievements of the life insurance industry on the one hand and the misdeeds of those who were in charge of the industry on the other. Here is a clear picture that the Finance Minister gave—there were irregularities to the extent of about Rs. 60 lakhs against a total life insurance fund of about Rs. 390 crores. In view of the facts disclosed, it stands to reason that the case as presented by the Finance Minister does not in the least warrant any serious reflection upon the entire business community or those who were in charge of life insurance business. I do not want to labour the point further, but I say that it is not the private sector which is on its trial. It has proved by its performance and by its long record of vital contribution to the national economy and it does not need any defence. Let an impartial commission go into the performance of any section of the private industry, whether it is insurance, whether it is banking or whether it is textile, cement or steel, let its misdeeds be analysed on the one hand and let its positive contribution be analysed on the other hand. Let an impartial verdict be given so that the public at large and this House may know the real facts. These insinuations are very easy to make but very difficult to substantiate. It is all very well to say that certain mischief was done in the war and post war period when things were abnormal and there was lot of corruption and nepotism and moral laxities in all the sections of the community. But things have changed and it is no use on the part of Shri Mukerjee to remind the business community that these things are not going to be tolerated. The business community knows to adjust itself to the changing situation. I want to assure him and the other hon. Members that it is the first community to know the spirit of the present times and adopt itself to the needs of the changing economy. Therefore, we are not in the least perturbed by all sorts of insinuations which are made. I repeat this challenge: let any impartial commission go into the achievements of the private sector and I have no doubt that its verdict will be one of which the private sector may well be proud of.

Coming to the Budget itself, I have no

doubt that the Finance Minister has presented an excellent picture of the performance during the First Plan. As he rightly claims, it has laid a solid foundation for the massive super structure of our national economy. There has been appreciable increase in production both in the agricultural and industrial sectors of our national economy; our national income has gone up by eighteen per cent as compared to eleven per cent originally envisaged. Our economy has gained new momentum and stability. Certainly the country can now look forward with confidence for a more dynamic and ambitious programme of development under the Second Plan. The spell of stagnation has been broken. What is required is to create a new enthusiastic wave of constructive effort in the various productive channels. Therefore, it is obvious that our Government's economic and taxation policies have got to be geared up, to maximise productive efforts all round and to stimulate production in all sections of our society.

Coming to the achievements of the First Plan, I would like firstly to say a few words about the public sector. We all know that there has been a shortfall in various nation-building activities but I would like to draw the attention of the Finance Minister to the shortfalls in the industrial public sector. Out of a provision of Rs. 101 crores, only sixty per cent will be utilised during the Plan period and as much as forty per cent will remain unutilised. That naturally shows a serious gap and the industrial development in the public sector will to that extent remain uncovered. For instance, the development of iron and steel industry or the heavy electrical industry could have been accelerated, if only the allocations that were made for these projects were usefully and fully utilised in the first Plan period. Now the allocations in the Second Plan have been stepped up to a gigantic proportion of Rs. 900 crores. I would welcome this huge and ambitious programme, provided it could be implemented with economy, efficiency and promptitude. In this connection, I welcome the appointment of a high-powered committee of Ministers and the Deputy Chairman of the Planning Commission. I do hope and trust that the various proposals of this committee consisting of officials and non-officials who will be assisted by experts will be set in motion immediately further to ensure all possible precautions so that there is no

[Shri G. D. Soman] wasteful or extravagant expenditure in the execution of this ambitious Plan.

I would now come to the private sector. Here so far as the Plan targets are concerned, the hon. Finance Minister himself has drawn attention to the fact that the various targets that were laid down for this sector have not only been fulfilled, but exceeded in quite a few cases by an appreciable margin. So far as the Second Plan is concerned, the target of investment is Rs. 620 crores for this sector out of which Rs. 470 crores will be in new investment and Rs. 150 crores earmarked for modernisation of the existing plants. The private sector would be able to do much more than this in the light of the achievements in the First Plan. They could have with efficiency and promptitude, executed a much bolder plan. Even on the basis of the allocations made, it has been pointed out that about Rs. 300 crores could possibly be secured from internal resources and about Rs. 80 crores by new capital issues. It is in this context—the need to raise about Rs. 300 crores from internal resources and Rs. 80 crores from new capital to achieve the targets laid down in the Second Plan—that one should examine the new taxation proposals which have been made by the Finance Minister.

I am not at all opposed to any additional taxation measures which are necessary and which could be executed without affecting adversely the industrial development of the country. It is not on a point of principle that I am criticising the few proposals that have been made but only in a spirit of constructive suggestion. From that point of constructive approach, I would like to say that some of the proposals need re-examination and modification if they are to avoid genuine hardship and difficulty to several companies. In this connection, I would also like to draw the attention of the House to one fact. Year after year, we find that the Finance Minister has the conservative habit or policy of underestimating the revenues and overestimating the expenditure. Even the last year's anticipated deficit of Rs. 17.35 crores has been converted into a surplus of Rs. 12.35 crores. Similarly, the estimated deficit for 1956-57 may also turn to be a smaller deficit, at least not to the extent he has estimated. I do not want to labour this point much. In view of the heavy deficit financing, it is only desirable that wherever any money can be realised by additional taxation without adversely

affecting the developmental side of the activities it should be mobilised.

I would first like to draw the attention of the House to the extra super-tax on distribution of dividends over six per cent. There are two or three important points here which need to be looked into seriously. First of all, the norm of six per cent does not at all fit in with the present trend of the money market. Even the Industrial Finance Corporation charges six per cent against the first charge on the property; and to expect any investor to be content with six per cent return on his risk capital, is something which is out of tune with the reality of the capital market. This difficulty becomes much more serious when we see that the basis of calculating the capital for the purpose of this 6 per cent is only the paid-up capital of the concern. This will lead to a number of anomalies and difficulties for several concerns. I should like to give the instance of one company in Bombay which has got a paid-up capital of Rs. 2 crores, a reserve of Rs. 1 crore and a block of Rs. 1½ crores. That company obviously followed a wise policy of ploughing back all its profits into reserves. Thereby the company did not issue any fresh capital. It did not capitalise its reserves, but all along expanded due to the resources not being frittered away but being ploughed back as reserves. The condition of that company will be such, under the present proposal, that almost the entire penal levy of 2 annas and 3 annas will be applicable to whatever dividend that company will declare henceforth. For the matter of that—because the levy will take a retrospective view of the current financial year, any dividend the company might have declared last year will attract the penal levy.

Then I come to the question of premium which many companies have had to charge under the direction of the Government themselves. Take the latest case of Tata Iron and Steel Company, where against a paid-up capital of Rs. 75 per share the company has been asked by the Controller of Capital Issues to issue fresh capital at Rs. 30 premium over the face value. Naturally, it is not clear what will be the effect of this penal levy on this additional capital of premium, which will be paid in cash by the share-holders. But, so far as one can see it might also attract penal levy. Therefore, so far as these anomalies are concerned, I do not think it is going to make any tremendous difference because in the first instance the estimate of Rs. 8 crores which the Finance Minister has



made, to be realised from this additional tax from the corporate sector is again I think an under-estimate and, whatever modifications may now be made by way of making the tax a little more equitable, I do not think it is going to make such a major difference. In this connection I would like to draw the attention of the Finance Minister to the representation that has made by the Bombay Shareholders' Association, which by no means is the champion of any big business but which represents the middle-class of investors. This is what they say:

"Committee Bombay Shareholders Association concerned about imposition extra super-tax on dividend distribution by companies over six per cent on paid-up capital stop principle highly objectionable can see no justification discriminatory against most efficient companies stop basis of paid up capital unsound correct basis should correlate profits and dividends to capital employed stop measure injurious to development of joint stock enterprise stop strongly urge deletion otherwise linking with capital employed."

Now, this Bombay Shareholders' Association has advocated that either the tax should be withdrawn or in any case it should be linked up with capital employed and not with the paid-up capital. So far as this aspect of the issue is concerned I hope it will be possible for the Finance Minister to re-examine the implications of the burden and to at least place this taxation on the basis of the capital employed.

Coming to the question of bonus shares I do not want to say much because the matter was gone into at great length by the Taxation Inquiry Commission. Even after the publication of the budget, Dr. John Mathai has come out publicly saying that this levy is uncalled for and is not warranted. So far as this issue is concerned it was studied in great detail by the Association of Trade and Industry in Bombay, who have issued a very illuminating brochure revealing the incidence and the logic of this tax in practically all the countries of the world. After all it is not a question of distributing anything in cash or in additional resources to the shareholders. If anything, the shareholders are placed in a little more difficult position because, so far as the amount remains in reserves the shareholders can look to receive dividends out of these reserves whenever there is any loss or profits are inadequate. When these reserves are capitalised naturally no dividend can be paid out of capital and

to that extent it is rather detrimental to the interest of the shareholder. I see no justification whatsoever why the Government, in spite of the unanimous recommendation of the Taxation Inquiry Commission and in spite of the findings of so many critical studies on the basis of what has been done in different countries of the world, should have introduced something which has absolutely no basis. Even if this bonus tax has to remain then, at least, I think, it should be reduced to one anna because so long the companies have been enjoying one anna rebate on their undistributed profit and to that extent the reserves lying with the companies have escaped tax. But there cannot be the slightest justification for anything above one anna and I hope it would be possible for the Finance Minister to look into this matter.

I would like to make a few observations about excise duty on cloth. I do not want to say much because there was a general expectation that there is bound to be some increase in excise duty. The only thing one can say about it is that the incidence of six pies per square yard on all varieties of cloth will be rather heavy on coarse and medium cloth. To that extent the Government have departed from the usual method of having differential basis for the different varieties. I would only draw the attention of the hon. Minister to the figures of stocks which he has given in justification of this. So far as the stocks are concerned everybody was expecting some increase in duty and right from January to February the dealers had taken delivery from mills. To that extent the stocks were transferred from the mills' godowns to the dealers' godowns. That does not in any way indicate the actual stock position in the country, nor is it in any way less than normal. So far as the stocks are concerned they were there with the dealers because the dealers, in order to escape, as far as possible, any additional imposition that might have been mentioned in the budget, hastened to take delivery of what was produced up to the end of January. So far as February production is concerned these are subject to the excise rules and the mills are not at liberty to deliver the goods on a certain basis.

While referring to this I would also like to say something about the restriction on the production of mill cloth which is being sought to be imposed as a result of the recommendations of the Karve Committee. I hope there might also be another opportunity to speak on this while discussing the Second Five Year Plan, but I cannot help drawing

[Shri G. D. Somani]

the attention of the Government to the serious situation that might develop. On the scale at which deficit financing is being provided and, naturally, with the growth in population and the extra purchasing power that would be generated, the risks that the Government are taking in freezing mill production are, I think, unduly large and it may also have adverse repercussions on our export trade. The Finance Minister has drawn attention in his budget speech to the difficulties in the balance of payment position and in our foreign exchange resources. He has said that everything possible should be done to promote exports. But, I think this policy of restricting mill production may also adversely affect the capacity of the mill industry to cater to the export market to the desired extent. Even from the employment point of view—I think I will not have enough time to give all the facts and figures—the industry has submitted a memorandum to the Planning Commission, in which it says that whatever amount the Exchequer earns by way of excise duty, sales tax and income tax is quite enough to give employment to the same number of persons which the handloom weavers are to employ for the production which is allowed to them. In other words, about 70,000 handloom weavers are employed for 100 million yards produced but as regards wages they are getting at present only Re. 1 or Rs. 1½ a day. The same amount of wages can be paid by the Exchequer if the mill industry is allowed to expand its production and thereby the industry pays by way of excise duty, sales tax and income tax to the Government. Over and above this the consumer has to pay three annas a yard more than a mill cloth. So, if the mill industry is allowed to expand the consumer will save three annas a yard; thereby his capacity to buy more cloth will increase about 25 per cent. At the same time, employment can be provided in other nation-building activities. The in making roads or building hospitals or schools, and at the same time, the consumer can be saved of the three annas extra price which he has got to pay for the handloom cloth. The entire economics of this policy has not been properly examined or gone into by the Planning Commission. I submit that before a final decision is taken for freezing the production of mill cloth, the implications of this policy should be gone into thoroughly so that it may not be too late before we may have to face the same

shortage of cloth which was prevalent and about which even the other hon. Members have just drawn attention and referred to the imposition of controls; because the one greatest weapon to fight inflation is to increase the production and the supply of consumer goods. Instead of depending on physical control, it will be much better, in the national interest, to increase the supply of consumer goods, and thereby minimise the inflationary effect on our economy through deficit financing.

2 P.M.

The last point that I would like to make is about the question of regional disparities. Here, I would like to say something about Rajasthan. I do not want to repeat anything that is contained in the Plan, for, I have no time. It has been laid down in our draft outline of the Five Year Plan that the Government should do everything possible to bring all areas of the country to the same level and that there should be a balanced development.

Here, I have got to make one suggestion. The Taxation Inquiry Commission made a suggestion for providing a tax holiday for new industrial undertakings. They recommended it for a certain, selected group of industries. I think the Government of India could declare certain areas as backward and could exempt any industrial undertaking that might be located in those backward areas from payment of tax—tax-free—for a period of six years. This would be more or less on the same lines as was recommended by the Taxation Inquiry Commission. The Government does not lose anything by this. After all, the new industrial undertakings in the first few years of their starting, do not, even in the ordinary course, pay much tax. The depreciation allowance is there, and the six per cent exemption is already there. So, it will not be making much of a sacrifice, and at the same time, the Government may be giving, through this measure, some positive incentive for the backward areas to be developed. Now that the hon. Deputy Minister of Production, Shri Satish Chandra is here. I would also like to draw his attention to the very grave injustice which has been done to Rajasthan in respect of the location of fertiliser factories. The other day, in reply to a supplementary question, he said that so far as the second Five Year Plan is concerned, Rajasthan has been ruled out. However, it is admitted by the hon. Minister of Production that Rajasthan has a good case, and I was surprised when he gave a reply that the cost



of production of fertilisers in Rajasthan would be higher than in those places where it has been decided to locate the factories. In this connection, I would like to draw the attention of the House to the report of the Fertiliser Production Committee which has said that so far as the cost at Neiveli is concerned, it is much higher than it would be in Rajasthan. I think the Minister has really made an incorrect statement inasmuch as it is not corroborated by the findings of the Committee appointed by his own Ministry. But apart from that, when the policy of the Government is to bring about a balanced development, there is no reason why Rajasthan should be forced to send, day in and day out, hundreds of wagons of gypsum, a valuable raw material, to distant places like Bihar and the South especially when Rajasthan has got cheap power, sufficient water and every possible facility. Therefore, I do not know why preference should not be given to Rajasthan for the location of the factory there. Even the Prime Minister was good enough to assure a deputation of Rajasthan M.P.'s that, everything being equal, Rajasthan's case should be favourably considered. But I do not know what happened later. I say here with all the emphasis at my command that Rajasthan's case has not been given the justice that it deserves in view of the backward condition and in view of the potentiality for development that Rajasthan possesses.

**Shri K. P. Tripathi (Darrang):** The Prime Minister made a speech recently at the Federation of Indian Chambers of Commerce and Industry and I think that he said in his speech that cases of conflict between labour and capital shall have to be removed in a planned economy so that our economy must develop correctly. I think that in the course of his speech he also spoke about the new socialist pattern of society and the necessity for a new dimensional way of thinking. I think in this connection, the most important thing from our budget point of view is the question of removing the conflicts which arise between capital and labour. I have, therefore, to look at the budget from that point of view, and find out whether the causes of conflict could be removed completely and, if so, how. I do not find any mention of two things in the budget speech. One is the participation of workers in management, of which the Finance Minister made a promise during the discussions on the Companies Bill. I know that discussions are proceeding in the Labour Panel of the Planning Commission on this question,

but I had expected that the Finance Minister would give importance to this question by referring to it in his speech. He has not done it. If the Finance Minister really means that there should be industrial peace in the country, he should begin by giving more importance to this question of industrial relations in the country.

The second point which I expected was about the wages. In the budget—a plan for the whole year—I had expected that there would be some reference to this, particularly when we are at the last year of the first Five Year Plan period and on the threshold of the second Five Year Plan and particularly when production has increased by 18 per cent whereas the expectation was only 11 per cent. Therefore, I expected some reference about the wages, but I do not find it there. I do not see how the budget of a country can be made without any reference whatsoever to the wages or the wage policy of the Government. Obviously, the increased production in agriculture has been met by the increased purchasing power on the industrial sector. If there is no plan for increasing the purchasing power in the industrial sector, then I would think that industrial peace cannot be achieved. If the Prime Minister is correct in saying that the cause of industrial unrest shall be eliminated, then, what is the cause? About 70 per cent of industrial disputes which occurred last year, occurred because of wage disputes. Therefore, some bold wage policy should have been set forth. In our economy, in a democratic system, the inequalities and the difficulties which arise between capital and labour are settled by bipartite negotiation or by tripartite machinery. These are conflicts; and these conflicts lead to industrial unrest. Therefore some sort of plan must be devised so as to eliminate the cause of conflict. For instance, if the economy can bear a higher wage, why should it not be said that a higher wage should be given from the coming year? It is necessary that it should be said, particularly, from the Government side. Government makes pronouncements, for instance, in regard to rationalisation in jute and textile mills. Similarly, it is also its duty to make a reference to the wage policy and say: "Yes; because production has increased and the wages have remained static, it is necessary that wages also should be expanded correspondingly so that the increased production in agricultural and other sectors might be consumed by expanded wages". I think that the Finance-

[Shri K. P. Tripathi]

Minister has not given sufficient thought to the idea of eliminating the conflict between labour and capital in the second Five Year Plan. Otherwise, he would have brought this in, some way or the other.

I find from the budget that increased efforts have been made by the agricultural and other workers for producing more. We have pledged ourselves to produce more, particularly the working class. But, the Finance Minister must be able to tell us, "Yes, you have pledged yourself to produce more; in return you will get more." That is the most important thing.

The Finance Minister has said something about the price stabilisation programme. Last year when prices were going down, the Government came forward with a programme. In an economy like ours, it should not be necessary to bolster up the prices in agriculture. By a more wage policy, the whole thing can be done. Last year also, I drew the attention of the Finance Minister to the fact that it was the wage policy, rather than any price stabilisation programme, which should be depended upon for the purpose of regulating prices in a country like ours. We have an underdeveloped economy and we are trying to increase consumption and production. Therefore, I request the Finance Minister to give consideration to this aspect. If this aspect is given consideration in the second Five Year Plan on the threshold of which we stand now, all these disparities in prices and wages will be done away with, and those difficulties will not be there before us.

I find that the Government has abolished the two annas duty on tea. The result of this abolition is that only that variety of tea which is able to compete in the market has benefited. They say that they want to give relief to the medium tea. Medium tea is selling at Rs. 2-8-0 per lb. The sector they want to benefit is tea costing from Rs. 3-6-0 to Rs. 4 per lb. If that is the price obtaining in England, then the corresponding price in India would be Rs. 2-11-0. Therefore, by its action Government is helping tea selling at Rs. 2-11-0 per lb. onwards. But, Rs. 2-11-0 is a highly competitive price. What variety of tea is suffering today? It is tea selling at Re. 1, Rs. 1-6-0 or Rs. 1-8-0 or even Rs. 2 per lb. This is the variety which is suffering a glut in the market and it is this variety which the Government wanted to help. But, unfortunately, because of lack of know-

ledge, a serious mistake has been made somewhere with the result that instead of helping the sector which they wanted to help, they have helped a sector which did not want any help. I think this mistake should be corrected somehow. I think the Finance Minister will understand this point very clearly and try to correct the mistake.

I welcome the action of the Finance Minister regarding corporation tax. It is a very good step which was needed so long. I welcome the tax on bonus shares and the super-tax on dividends. What was happening before was this. The employers, without distributing the dividends in the initial stage, saved themselves from paying bonus to workers; later on, they distributed the same money as bonus shares. Once money is distributed as bonus shares, it becomes private income which cannot be taxed. I also wanted that bonus shares should be taxed. I support the action of the Finance Minister in taxing the bonus issues. By this action, the position has been remedied. Taxing higher dividends will encourage capital formation. Formerly what was due to the public used to go to the private industrialists and become their property. Now that will not be the case. The Government has taken this step so that investment and capital formation might continue.

Another important measure is this. It has been decided that above a certain stage, tax on dividends would increase. We have been asking for this for a long time. In the first Plan, there was a provision that wages might be freed if dividends were freed. Actually what happened was that dividend was not freed, but wages were freed and the courts took the view that because there was a provision in the Plan that wages might be frozen, it was not wrong. By taxing higher dividends, the Government has remedied the position. I was surprised to discover that in some industries as much as 100, 200 or even 500 per cent dividends were declared, whereas the workers were getting only the minimum wage. Obviously, an industry which pays the minimum wage to its workers should not have the right to pay dividends like 200 or 300 per cent. There should be some relation between wages and dividends. Otherwise, by starving labour and paying low wages, the industrialist get a very large margin of profit and that is distributed as dividends. In our country, the most unfortunate thing is that in every industry there is the most uneconomic sector alongside the most economic sector. The result is,

however much we may try, we cannot raise the wages very high because we are afraid that the economic sector would be driven out resulting in unemployment. Taking advantage of the low wages, very high profits are made in the same industry in the economic sector. This position should be righted and it can be done only by imposing higher taxes on higher dividends. I think this has been a very salutary measure. If this measure succeeds, and if taxes are not avoided I think this will improve the situation to a great extent.

As far as deficit financing is concerned, I welcome the amount of deficit financing which has been proposed in the Budget. There is no doubt that there is risk involved, but that risk has to be faced. As the Finance Minister has said, we will be very carefully watching the trend all the time. I have no doubt that deficit financing in our present circumstances is called for. I find that the total amount of deficit financing contemplated in the next Five Year Plan is about Rs. 1,200 crores. I find that the taxation policy of the Government is such that what will be raised through deficit financing will be compensated by taxation measures subsequently. I quite understand that in the first year, they have had to resort to a higher percentage of deficit financing, without being backed by an equal amount of expansion in production. But as the second Plan develops, I have no doubt that the production also will increase and the excess, if any, there, will be taken away by taxation. In that way, I have no doubt the taxation proposals in the present Plan and in the future Plans will be adjusted. The taxation during the next five years is obviously going to be very high because it is going to rise from 7 per cent to as much as 12 per cent. But this is justified on two grounds: firstly, new employment is to be created and secondly, the wages are to be expanded correspondingly. I hope that the Government will not try simply to expand employment without giving any wage increase during this period because it is quite open for the Government to meet the situation in two ways: (1) by expansion of employment and (2) by increase in wages. There is a third way also: by doing both. Now if the Government takes up the first only, namely, expansion of employment without going in for increase in wages, I think it will be very disheartening to the workers who will be called upon to bear the burden by higher effort. Therefore Government shall have to take a medium view, that

is, it shall also have to agree to expansion of wages so that the workers might be satisfied. At the same time, it might take those measures which are also going to expand employment.

Mr. Somani was just now arguing about the textile industry. He said that the freezing of the textile industry in the present loomage and leaving the whole expansion to the handloom sector is not proper. He also argued that the wages which the handloom weavers might be getting will exactly be the wages which will be paid by the industry if the industry is permitted to expand to that extent.

**Shri G. D. Somani:** That was not the case. The wages in the handloom industry are less than what the textile industry is paying.

**Shri K. P. Tripathi:** I am not speaking of the individual wage-earner. I am speaking of the total wage.

**Shri G. D. Somani:** But the handloom worker is an independent worker.

**Shri K. P. Tripathi:** The handloom worker is an independent worker also. The total amount of income or the total wage bill will be equivalent or equal to the total wage which will be distributed by the mill industry if it is permitted to expand correspondingly, that was a very ingenious argument advanced by Mr. Somani. But I must say that the present difficulty of the Government or the country is unemployment and there is reference to it in the Finance Minister's speech. Now if you are a doctor and you find a patient ailing from Kala Bazar, you don't treat him for malaria. In the same way, the country is now suffering from under-employment and unemployment. Therefore, at the present time, what do we require? We require plans for increased employment. Therefore all the *pandits* have put their heads together and tried to find out whether there is any other way. There is none and, therefore, they have been constrained to come to the conclusion that the cottage industry and the small scale industry, which have higher potential for employment, should be given a chance. As a matter of fact, the Planning Commission even said that for all items we do not want to confine our population to lower standard of living which is possible under cottage industry. But in the circumstances in which we are, it has come to the conclusion that the small-scale industries, village industries and rural industries should be given a chance and, therefore, the question of Amber Charka has come in. Therefore, my friend Mr. Somani

[Shri K. P. Tripathi] should not think in terms of mere mills, he should think in terms of the national economy.

**An Hon. Member:** Naturally.

**Shri K. P. Tripathi:** As long as he thinks not in terms of the national economy, he is not giving an answer as to how the unemployment is to be solved. Does he mean to say that the whole unemployed population is to be given doles? He has not said that. Therefore, he has not given any solution. So he also is deemed to have come to the same conclusion that this unemployment can be solved in the present context only by expanding the cottage industries and the small-scale industries. On this at least we agree that either in the long-term view or in the short-term view of this question employment has to be expanded and, therefore, the cottage industry sector has to be expanded. From that point of view I think the Government has come to the right conclusion. But I find that the Government has still some doubts because the speed with which we had expected that the expansion of the Amber Charka will go forward is not there. We do not see that speed which we had expected. We had expected that the whole thing will be put through as soon as possible. But it has not been done and the initial expenditure which should have been incurred by now has not been incurred and, therefore, the Plan is held up. After all, it may not be a fool-proof plan. But if you go ahead, whatever employment it creates for the workers will be a gain. From that point of view I think the Government, without looking at it from a very suspicious point of view, should take it as a success and go forward to expand employment in the cottage industry and small-scale industry field, particularly with reference to Amber Charka.

I find that the Finance Minister has not made any distinction between socialist pattern and socialistic pattern. He has thought that perhaps they are the same thing. Now obviously there is a shift in emphasis. I do not know why the Finance Minister continues to believe that although we may accept the ideal of the socialistic pattern of society it is not necessary that it be reflected in the Finance Bill of the financial measures. He seems to be thinking that whatever steps are being taken are quite enough and the people should see and feel that they are going the right way, the socialist way. I quite agree that the steps taken with regard to the nationalisation of insurance

and taking over the Imperial Bank are very remarkable steps in that direction. I also agree that the taxation proposals about corporation tax and other taxes, and particularly the tax on higher dividends, are steps in that direction. Quite true. And we can be socialist without saying so. But we have also said so. Therefore people ask: what are the steps you are going to take in that direction? So it does not help us to say that it is not necessary to use the socialistic pattern of society in the context of the budget. After all, our approach will be judged by this statement and, therefore, this has to come out in larger measure. Now when you talk of the socialist pattern, obviously, certain expectations are roused. One expectation is planned expansion of production. Obviously that is there. Now the first Plan is over and we are going over the Second Plan. The second expectation, which is also equally important, is the lowering down in the gap in incomes. What is the step taken in that direction? Now I find that in the taxation proposals they have increased the percentage of super-tax to 91.9 per cent. That is on an income of Rs. 1,50,000/ and over. That is very good. The Finance Minister seems to be thinking that we should not have a fiscal ceiling on private incomes. He seems to think that we should go up by taxation and that even if fifteen annas and six pies in the rupee is to be taxed it is better than fixing a fiscal ceiling. Now there is a great deal of feeling in the whole country that it is time when we thought about the fiscal ceiling also. What is going to be the fiscal ceiling, we do not know. The Taxation Enquiry Commission reported that the ratio should be 1:30, which, is very high indeed. But we had expected that although it was very high from some point of view. Well, the Government should come forward to accept that recommendation and put it into operation. The Government has not shown any inclination to accept that recommendation. I do not know why. When there is a great desire in the country, I think, the Government should come forward to accept a ratio between the highest and lowest incomes. It is quite good that taxation measures are being taken for reducing the gap: but Government should seriously and concretely begin to consider that the time is not far off when a fiscal ceiling might be laid, or a ratio, between the highest and lowest incomes. As I had suggested in the beginning, we might start with wages and salaries. There should be a ratio laid between the two.

So far as investment income is concerned, we might leave it for the future, because since we have a mixed economy and we are asking people to invest money, people should be given the right for the time being to get a return out of the investment income. We quite support the idea that that income should be limited—as it is limited by the plan of taxation on dividends. But it is high time that we should consider linking the lowest and highest salaries and wages by a ratio. Unfortunately there is no indication in the Finance Bill or in the speech of the Finance Minister on this question at all. He seems to be quite satisfied with the taxation proposals.

There is also an attempt to increase the tax on incomes over Rs. 70,000. I welcome it. But it is only so far as it goes. I do not say that it is a substitute for what I have been asking, namely a ceiling or ratio between the highest and lowest incomes. I think if such a ratio is applied, the amount of enthusiasm which will be created in the country in the lowest rungs, which ultimately produce, will be so great that it will compensate ten-fold what the Ministry fears. After all, our problem today is production. After democracy has come in everybody has become an equal partner, and nobody wants to feel that he is inferior to another. In this context any step that we take towards equalisation will be a great fillip and impetus for the society and for the lowest worker to exert himself and produce more. Out of this exertion, quality and quantity are both desirable, and both are possible and available.

If the Government come forward with this policy I have no doubt that the industrialists also will toe the line. After all, it is the nature of industry to protest. But at the same time, in India, after protestations they have fallen in line. At the beginning of the First Five Year Plan, industry was recalcitrant to invest money in any way whatsoever; but towards the end of the Plan they have toed the line and come forward to invest. I have no doubt that in the Second Five Year Plan these steps of socialism, if taken, will not deter them. They will come forward and continue to invest as we and the country desire.

**Shri N. M. Lingam** (Coimbatore): I rise to congratulate the Finance Minister on the presentation of the very excellent budget that is before us. The budget has been criticised variously by various

speakers. The hon. Member who initiated the debate said that the days are past when we should consider only the budget as presented by the Finance Minister, but that the budget should be considered against the economic background of the country. Seeing that the budget is only the first year's budget of the Second Five Year Plan, it is obvious that the economic background of the country also is taken into account. The budget thus has a clear philosophy. It has definite objectives, and I shall remind the House that the objectives set forth in the Second Five Year Plan are also the objectives of this budget. These objectives are: a sizable increase in national income so as to raise the level of living in the country, rapid industrialisation with particular emphasis on the development of basic and heavy industries, a large expansion of employment opportunities, and reduction of inequalities in income and wealth and a more even distribution of economic power. Judged by these objectives the budget is a sound one.

When we have agreed and committed ourselves to what is called perspective planning, you cannot expect astounding results in the course of a budget year. The budget itself, I presume, is framed in the background of this perspective planning. That is why there is room for argument that the budget does not go far enough. For instance, some Members—Members even on the governmental benches—have said: "It has failed in our expectations in certain respects. It has not, for instance, taxed the people enough. Capital gains tax, increased death duty, tax on total wealth, ceiling on income, these things are measures for which the country was prepared. But the Finance Minister has not been able to take courage in both hands and impose these taxes." But I see from the manner in which the budget is presented that the Finance Minister has not made up his mind on any of these things it may be that these things are under consideration, because these are measures some of which at least are being thought of for the first time in any country. So it is not fair to the Finance Minister to jump to conclusions and say that he has set his face against these new levies which are meant to reduce inequalities.

Judged from these aspects the budget is a sound one. And then we have to take the background of the developments in the country which give a favourable reception to this budget. In the year 1954

[Shri N. M. Lingam]

we passed the famous resolution with regard to the socialist pattern of society. The country became committed to it. Then, our foreign policy has played no small part in creating an awakening in the country and compelling the admiration of the work for the policy we have been pursuing. We made remarkable strides on the food front and the industrial front! Perhaps the stability and prosperity that we enjoy today is not a little due to the agricultural production and the development in the Community Projects and National Extension Services. These main factors have acted as a sort of dynamo to the implementation of the Five Year Plan. In this climate it is but natural that the Finance Minister should present a budget of the size that is before the House now.

There is no use in considering the budget by quoting foreign authors or in judging our financial measures with reference to what is good or what is bad to foreign countries.

Coming to the budget itself, I welcome most of the taxation measures. They are in tune with our basis approach not only to planning but with reference to the changes in the economic position of the country. Super-tax on dividends, the increase in corporation tax, the excise duties are all, to me, unexceptionable. I shall reserve my comments only on two items relating to excise duty.

One matter was referred by the previous speaker Shri K. P. Tripathi, that is the duty on tea. According to the budget proposals, the export duty on tea is reduced by two annas on the slab which correspond to the price rate Rs. 3-4-0 and above. I agree with him that the tea industry has suffered such a severe slump during the last year and the general level of tea prices was not very much above Rs. 2-8-0. Unless this concession is extended to the second slab, that is to tea falling within the price rate of Rs. 2-8-0 and below, this concession will not help the tea industry. Judging from the trend of tea prices in the world today, the price is not likely to go much above this. I am not only talking of the medium grade tea, but also of the high grade tea which is exported to foreign countries. If the tea industry is to have any relief, this excise duty concession has to be extended to the slab whose price range is below Rs. 2-8-0. I hope the Finance Minister will look into this matter and extend real relief to this industry. During the years 1954 and 1956, our export duty

from tea has fallen very much. In the coming year, it is apprehended that the fall will be still greater. If this important foreign exchange source is to be preserved, we have to see that every encouragement is given to it to grow. At any rate, we should see that the circumstances that supervened the industry in 1952 are not repeated this year.

The other taxation proposals which, in my opinion, will act harshly on the common people is the increase in the postal rates. I refer to the raising of the registration fee from six annas to eight annas and the raising of the telegram charges for inland telegrams. The postal rates are already high. Extension of postal facilities to the rural areas, which is said to be the reason for the increase in rates, is a legitimate charge on the general revenues of the country. There is another item about which an hon. Member has already spoken, to which it is worth while drawing the attention of the House, and that is the excise duty on diesel oil. The diesel oil used for agricultural purposes is not crude oil but high speed oil. Already some of the State Governments have increased the sales tax on this oil. If this additional impost proposed by the Finance Minister is also sanctioned, agriculture will suffer. With these three exceptions, I support the taxation measures generally. As I said before, I have every confidence that the Finance Minister has an open mind on the question of tapping new sources in whatever way deemed most suitable.

Going through the Explanatory Memorandum to the Budget, I find that the allocation for the low income group housing has not been spent properly. Here are the figures. The total loan allocation made to the State Governments till December 1955 is Rs. 21 crores. Out of this allocation, only Rs. 6.6 crores have been actually paid to the various State Governments. A sum of Rs. 7.7 crores has been provided in the budget estimate for 1956-57. This sum is woefully inadequate. If we want to create real enthusiasm in the rural areas, we must see that the villages are rebuilt as speedily as possible. This subsidy to the State Government must be on the same basis as the subsidy for industrial housing. I would even go farther and say that the Government must undertake to build whole village anew, new type design villages. Our villages are only glorified slums. The houses are huddled together. The sanitation, accommodation and comforts that are available in our villages are comparable to those obtaining

in the cattle sheds only. If a new awakening, a new sensation is to creep through the land, the subsidy to the rural areas has to be adequate. I would even say that the Government should meet the entire cost of rural housing. Begin with building model houses and give the maximum amount of subsidies. On no account should the subsidy be less than that given to industrial housing. Improvement in rural housing has not progressed as much as the House and the country, and, I am sure, the Government would like. From the allocations for the next year, it looks as if the progress will be dampened. The provision made in the next year's budget is Rs. 75 lakhs; middle income group housing Rs. 50 lakhs, plantation labour housing Rs. 25 lakhs, house building advances to central government servants Rs. 1.5 crores. I think, considering the enormity of the problem, the allocations in the next year's budget are very very inadequate.

Then, I shall refer to the allocations made for the scholarships to the Scheduled Castes and Scheduled Tribes and backward classes. Taking the figures of the last 3 years, we find that out of 9,263 students belonging to other backward classes, only 3,063 were awarded scholarships in 1953-54. Out of 18,116 applicants in 1954-55, 5,138 were awarded scholarships. In the current year, the number of applications was 30,042 and the number of applications sanctioned is 6,325. The figures speak for themselves. On the one hand we talk of raising the level of the submerged classes. But, the manner in which scholarships have been sanctioned shows that we do not do anything effective in this direction. So, I would urge on the House to impress on the Finance Minister to realise that it is absolutely necessary to increase these allocations adequately so that not a single applicant from the backward classes would go without scholarship. Unless you raise their level, unless you spread education, unless you give the culture of the higher classes to these people, there cannot be any permanence in their raised condition. Whether they get employment or not, whether they are gainfully employed or not, you have to spread culture. That can be done only by spreading the education available at present among as large a section of the population as possible. Just as scholarship is given to every student of the Scheduled Castes and Scheduled Tribes, I would like to see that every student of the backward classes is given a scholarship.

**An Hon. Member:** Their number is less.

**Shri N. M. Lingam:** Even if their number is less, it should be given. It is the duty of the Government to do it. Otherwise, all the schemes will fail.

One hon. Member referred to the improvement of education and its relation to employment. I would say that unless we have a sound policy of education, we will not be able to find a panacea for most of our ills. There are lots of pet schemes that are being financed. We concentrate attention on dance and drama, literary workshops, exchange of culture, etc., whereas in the rural areas, the people do not know the three R's. All this waste should be stopped and we should see that all these allocation or a lion's share of the allocations goes to the strata below. In other words, I want socialisation of education. The village schools must be properly equipped. There should be proper buildings. The teachers should be paid better. Unless we feed from below, all this window dressing at the top will not really contribute to the strength of the nation. Take the public schools, for instance. We give lakhs and lakhs of rupees as grants to these schools. They help only a handful and these handful belong to the upper strata of society. Why is this done? The Secondary Education Commission recommended the stoppage of these grants three years ago. The same grants continue to be given to these schools. I mention this instance only to show that there is a lot to be done in reorientating education, and in seeing that it helps the masses effectively.

There is another matter with regard to ordinance factories. There is a surplus labour of nearly 13,000 in ordinance factories at present and the Government proposed to absorb out of this 13,000 about 8,000 in other Ministries. I do not know if any plans have been finalised even to absorb this number, but the Minister of Defence Organisation informs me that he will be forced to throw out of employment 5,000 men from these factories. But it will be a national loss. We talk of providing employment for 12 million men in the Second Five Year Plan. Here we are out to throw out 5,000 people who are skilled or semi-skilled. Even if they are not skilled, they have undergone some training and they must be given precedence over others in the matter of employment in the country. so, instead of merely issuing circulars or instructions to other Ministries to



[Shri N. M. Lingam]

absorb them, I would urge that the Ministries concerned, namely the Defence Ministry, the Labour Ministry and the Production Ministry, should sit together and evolve a plan for absorbing these people who are facing imminent unemployment because of retrenchment.

I have got only one observation to make. I find that this year the Finance Minister who took credit for the repayment of loan from Pakistan is strangely quiet. I hope he would clarify the position in the course of his reply because we do not know where we stand in our relations with Pakistan. On the one hand, we are unable to prevent the influx of refugees which is increasing every day. Border raids are also increasing. We do not realise even our legitimate loans from Pakistan. I think the Finance Minister owes it to the House to give an explanation as to where we stand in regard to our transaction with Pakistan, at any rate financial, if not with regard to all matters.

Finally, the most important thing. Whatever the magnitude or the content, the object of the budget is the levelling up of the masses, the activation of the masses, and these centre round the reorganisation of our agriculture. Whether we fix ceilings or not, whether we take to co-operative farming or not, what we have to do is to reorganise agriculture so that it helps the masses and it conduces to productivity. That problem we have not solved. The other vital problem is the organisation of small-scale and cottage industries. We lean heavily upon the movement of co-operation for the implementation of a large part of the Second Plan. Then we say community development is the dynamo behind the entire activity of the Government in the rural side. I feel in all these vital direction our efforts have not been successful. Unless that is done, unless these pillars are strengthened, they will prove the Achilles' heel of our entire effort.

**Shri V. B. Gandhi** (Bombay City—North): I thank you, Mr. Chairman, for this opportunity.

My first reaction after listening to the budget speech of the Finance Minister was one of being stunned by the proposal for deficit finance of Rs. 356 crores in the very first year of the Plan. After a study of the budget I am now convinced that it is a sound budget. It has all the characteristics of the Finance Minister's cautious approach. It is designed to serve the objectives of Government

policy such as expansion of employment opportunities, reduction in inequalities of income and implementation of the Plan.

In the few minutes allotted to me I shall confine myself to two points. The first is about deficit finance, and the second is about the risk of inflation. It is not generally realised that deficit finance is a form of taxation. In achieving development with the help of deficit finance it is not as if the community is escaping taxation. In every act of deficit finance some taxation of the community takes place. It is rather neglected aspect of deficit finance with which I shall try to deal.

The second point is about my assessment of our economic conditions with a view to determining how near the risk of inflation we are. The Government has made its own assessment. On a subject like this it is possible to have two opinions. So far as the imminence of inflation is concerned, Government's view is that the red light is yet to go up. True, the red light has not gone up yet, but what, I ask, is the green light on at the moment? I should hardly think so.

**Shri C. D. Pande** (Naini Tal Distt. cum Almora Distt.—South-West cum Bareilly Distt.—North): There is no light at all.

**Shri V. B. Gandhi:** There are three lights, Shri Pande.

**Sardar Hukam Singh** (Kapurthala-Bhatinda): Only jaundice.

**Shri V. B. Gandhi:** To my mind we are actually under the amber light and that means a greater degree of preparedness is expected.

We have all heard it said by people both inside and outside the House that they do not understand why the Finance Minister wants to tax on poor man's cloth just to raise a few crores of rupees, say 5 to 10 crores, whereas, as a matter of fact, he has the power to raise hundreds of crores by way of deficit finance if he wants to. Why tax the people, why not do it the other way? The Finance Minister's deficit financing in the last two years has been of the order of about Rs. 220 crores each year. For the budget year he expects to increase the amount of deficit finance to Rs. 356 crores, that is, an increase of almost Rs. 125 crores in one year. If the Finance Minister can do this, then why does he want to be stingy and insist on taxing the poor man's cloth for a few crores of rupees or raise the cost of registration postage to get even less than a crore of rupees?



To this, the Finance Minister replies: "I am taxing for purposes of balancing the revenue budget. Current expenditure should be met by revenue from taxation. I am not taxing for purposes of development". I am now quoting the Finance Minister:

"The taxation has no concern with the other side of the business, that is, capital expenditure".

Now, the question as asked by the people and the reply as given by the Finance Minister, if superficially read, would suggest that deficit financing used for capital expenditure or for development programmes involves no taxation of the community. To the public it seems a relief from taxation, to the Finance Minister it seems a release from the duty of taxing the people which at best must be an unpleasant one. I hope it will be agreed that there is a general impression gaining in the country that in his ability to use deficit finance, the Finance Minister has some kind of an open sesame. But is this impression about deficit finance being an 'Open sesame' warranted by facts? The facts are that the community ultimately pays for the development, even when it is achieved through deficit finance.

3 P.M.

As I said earlier, deficit finance is just as much a form of taxation as any other tax that is levied. The regular tax in the technical sense as such is a tax which we can see. The taxation that takes place in the case of deficit finance is something which we cannot see. I do not know what to call it. We may call it blind taxation.

I would better give one illustration. Suppose the community has a supply of money, say 10 X. Suppose also that it has a volume of goods and services, say, 10 X. If Government levies tax and collects from the community by way of taxes money equal to X, then what happens? 9 X money remains with the community. When Government collect taxes, it wants to use the money so collected. So, with that money, it purchases from the community goods and services worth X. The result of all these transactions is that between the Government and the community there are 10X goods and services, and also between Government and the community there is 10 X money. That is what goes on in the case of regular taxation.

Now, suppose Government has recourse to deficit financing, and suppose

Government creates new money, say X, and with that created money X, Government purchases from the community goods and services worth X, then what is the result? The result in this case is that the goods and services between Government and the community are just 10 X, but the money in the hands of the community is 11 X. That is exactly where the taxation comes in. That is exactly where the community comes to be taxed, because the value of money to that extent is reduced, and the purchasing power of the rupee in the hands of the citizen is to that extent reduced.

Now, it may be said that this illustration is oversimplifying a difficult problem. True, it is so, as such illustrations are all bound to be. It is an oversimplification. This illustration also suffers from being static, and therefore, we have to accept it with these limitations. But it illustrates what basically happens under the surface when recourse is had to deficit financing.

Of course, this kind of financing cannot be called technically a tax. But it is a real tax. And as I said, we do not know on whom it is levied, on whom it falls, and how much. We do not know how much is collected from an individual citizen, and yet it is there. At best you can call this a delayed-action taxation.

**Mr. Chairman:** The hon. Member's time is up.

**Shri S. S. More (Sholapur):** He has just begun with X.

**The Deputy Minister of Finance (Shri B. R. Bhagat):** The hon. Member speaks very slowly.

**Shri V. B. Gandhi:** May I have five more minutes?

**Mr. Chairman:** Yes.

**Shri V. B. Gandhi:** If the community increases its production to match this newly-created money, then what happens? In that case, what happens is that the community may be saved from inflation, but is not saved from taxation. Taxation does take place in just the same way as before. And how? Suppose the community's production is increasing, and this newly-created money is not introduced into the community. Then what happens? The citizen's rupee buys more of goods and services for him than it otherwise would. And therefore, that element of taxation is there.

[Shri V. B. Gandhi]

It may be said also that perhaps the introduction of deficit finance itself may lead to an increase of production. Yes it would. But increased production as a direct result of deficit finance will take time to come about, since by hypothesis, deficit finance is used for expenditure mostly on capital projects.

What we are trying here to do is this: We are trying the finance our development through what are called non-tax sources. These non-tax sources are of course public loans, savings, external assistance and deficit finance.

In the realm of deficit finance, we probably have already had deficit finance of about Rs. 400 crores during the last two years; and we are contemplating another financing of the order of Rs. 1200 crores. So, in about seven years' time we are going to have deficit finance of almost Rs. 1,600 crores. And if that is not going to do something to the value of money in the hands of the citizen, then I do not know what else it would.

The people should know at this, because that will make them more willing to accept more of the real taxation, and not just make them think that they are escaping taxation by letting the Finance Minister go on with deficit financing.

There is another aspect of this problem, and that aspect is Parliament's control over taxation and finance. In the regular form of the normal taxation, Parliament has a fairly good control over it, because here in this House we determine what the mode of taxation will be, what the rate of taxation will be, on which classes of society it will fall and so on.

Take, for instance, this new and small proposal of increasing the postal registration rates. It is going to net hardly a crores of rupees, but the House will have an opportunity to consider the proposal in all its details. But in the case of deficit finance, what happens? Here, Rs. 356 crores are going to be created. And how much of control is this House going to have over it? What are its details? How much do we know about all the processes involved in this deficit financing? Therefore, it is necessary that something should be done to give Parliament a little more of control on this matter.

We do not mean that there should be no deficit financing. Perhaps some deficit financing is certainly indicated in the circumstances of our country. But what is

meant here is that we should understand the real nature of what we are doing. And Parliament also should realise the greater responsibility that deficit financing casts on it.

Finally, I would like to make one little suggestion. If Government are agreeable, and if this House desires, some arrangement could be made, some machinery could be created by which a more detailed understanding and a more continued study of deficit financing by this House or at least by some Members of the House could be made possible.

There should be some kind of a committee. The Speaker might appoint one. How little most of us know about deficit financing and what a terrific responsibility we as Parliament are taking upon ourselves when we sanction in a blanket provision sums of Rs. 200 and Rs. 300 crores at the end of the year? It will be a great assistance to Government because in that case, they would be truly sharing responsibility with the House and there would be some kind of reality introduced in Parliament's control over taxation and finance. It is an experiment, in my view, worth making.

**Th. Lakshman Singh Charak** (Jammu and Kashmir): The other day we heard Finance Minister presenting the Budget the tenth Budget of Independent India. It was very pleasant to hear of the improvements and achievements made during these years. If we look back, we find that the achievements during these ten years have been very great and they can compare with those of any advanced country of the world. Whatever we have achieved during this period has been mostly due to the encouraging response from the people of India, the active co-operation of the government officers who were in charge of these projects and the external assistance we got from friendly countries. I hope and trust the officers who are in charge of these projects will continue to be vigilant in their work and carry on their duties more carefully in the light of the experience they have gained during these years.

We have been able in the first Five Year Plan to achieve most of the targets. As the Finance Minister says, "we have laid the foundation of a massive structure in building up the country's economy". We are now launching on the Second Five Year Plan and for this Plan, we are spending Rs. 4,800 crores. This is a colossal sum of money. It is a bold and ambitious enterprise, and to implement

this needs the constant vigilance of the Members of this House, the Finance Ministry and the Auditor-General. For we must not forget that during the last five years, there have been leakages here and there and there has been propaganda all over the country that the money collected by Government in the form of taxes is not carefully spent. I am sorry to say that in certain departments and Ministries, the officers have not yet been able to shake off the old idea of spending whatever money is allotted to them, even if it has to be done during the last three months of the year, thinking that it will otherwise lapse and so it is part of their duty to spend it. I would request these officers through you to shake off those old ideas and start thinking that this country is theirs and this Parliament is duty bound to answer before the electorate for the trust they have reposed in us to ensure that every pie that is collected from the public is properly and carefully spent.

[SARDAR HUKAM SINGH in the Chair]

The Finance Ministry and audit should see that any officer who is careless of his duties is controlled from the very beginning and no *post mortem* examination takes place, for once the money is spent and wasted, it leaves a bad trace behind and *post mortem* examinations do not do any good. Departmental prestige comes in and the officers try to help them.

We are very happy to see that when in independent India the price of agricultural produce started going down in August 1953, the Government of India took active measures to support the prices and bring them back to their normal level. The agriculturists of this country have always been used to losing all the produce of their hard labour because at the time of the harvest season, the prices used to fall and soon after the produce came out of the hands of the agriculturists into the market, the prices shot up again. This is the first time in the history of independent India that the Government have come to the aid of the agriculturists when the prices went down and we are happy to note that things have come back to normal. I hope that some arrangements are made by the Government to see that the middleman does not take the maximum profit, for you find that there is even now a tendency in markets all over India that when the harvest season comes in the big businessmen and people who are in control of the markets with their money try to bring the prices artificial-

ly down and as soon as the produce comes out of the hands of the agriculturists, they raise the prices again. The Government of India deserve all the thanks of the farmers of this country for having come to their aid at a very critical juncture.

We note with very great satisfaction that small-scale industries have been helped to a great extent in this Budget: particularly, khadi and village industries have received greater assistance. That is a very welcome measure and we hope that in future also the Government will continue to take interest in this matter, for khadi and village industries are the backbone of our society and if we want to make India really economically strong, the cure lies not in having big factories and big concerns but in improving the economic condition of the villagers, and that can be done through khadi and village industries alone.

We are happy to note that in the public sector the industries run by Government have shown very great improvement and the targets fixed have been more or less achieved. The private sector has done good work and both collectively have improved the economic condition of the country.

We are very glad to note that the traditional policy of co-operation with the neighbouring countries has been maintained and the spirit of the Bandung Conference continues. We are also happy to note that a liaison officer has been appointed to pursue the policy laid down in that conference. Also, we have advanced a loan of Rs. 20 crores to our next-door neighbour, Burma, for a temporary period.

I take this opportunity to thank the Government of India on behalf of the people of Jammu and Kashmir for the assistance we have been receiving for the last five years and for the allocation made in the Second Five Year Plan. Kashmir during the last two years has progressed from day to day and before long, with the assistance and guidance of the experts of Government of India and the finance which is being placed at our disposal, Kashmir will be one of the major and developed States of India.

The other day while discussing the President's Address, one hon. Member from the Opposition, Shri Kamath, made serious allegations against the Government of Jammu and Kashmir. I feel duty bound to place the correct picture before the House, because we owe a duty to India which has been giving us so much

[Th. Lakshman Singh Charak]

assistance for our betterment, lest misunderstanding may arise. Shri Kamath said that under the Preventive Detention Act of Jammu and Kashmir, the liberty of every citizen is at stake and anybody could be put behind the bars without any explanation or any rhyme or reason. I will respectfully remind the House that last year, if I remember correctly, during the Budget session, while discussing this, Shri Asoka Mehta spoke on the same subject. I then told the House—and I want to remind it again—that it was under the special circumstances of Kashmir, that the Presidential Order of 14th May, 1954, permitted the Government of Jammu and Kashmir to retain on its statute-book the Special Preventive Detention Act of Jammu and Kashmir. I may remind the House that the people of Jammu and Kashmir have solved the Kashmir problem. We are, from our point of view, an integral part of India but do not forget that it is still an international question. The cease-fire line is there and the armies of India and the armies of Pakistan are sitting on both sides of it. There are people who are just waiting for an opportunity to create trouble in Jammu and Kashmir; if an hon. Member of this House makes serious allegations against the Jammu and Kashmir Government and particularly the Prime Minister of that State. I do not think in any way he has contributed to the solution of the Kashmir problem or done any good to the people of Jammu and Kashmir.

The Indian Press deserves all the respect for the place they gave to Shri Kamath's speech but it surely caught the headlines in the Pakistan Press. The *Dawn* in its editorial and its headlines gave great prominence to what Shri Kamath said. I need not say anything more on this point and I respectfully request this House that when the question of Kashmir is discussed here, let us not discuss it from the point of view of party politics, that our party will gain this and gain that, but let us think of it as an all-India question. Then and then alone we can help the people of Jammu and Kashmir and solve this problem.

Shri Kamath made certain remarks; he mentioned in particular the municipal elections in Kashmir valley. He said that previously there were 45 members and now they have been reduced to 16. He further said that the population of Kashmir was 2 lakhs. It is somewhat correct; actually it is 2,42,000. He said the population of Jammu is 18,000. It is round about 75,000. The municipal

elections in Srinagar were held in January 1956 after about 18 years. The elections were held on the basis of adult franchise and joint electorate. In the Maharaja's regime the elections were held on the basis of separate electorates. Muslims had been given 8 seats as against 4 allotted to the Hindus, while 4 seats were filled—by nomination. The Municipal Committee thus consisted of only 16 members. Franchise was restricted. Only persons who held property of Rs. 600 or above were entitled to vote.

Under the present Municipal Act the number of seats has been raised from 16 to 17 and 15 seats were to be filled in by election and 2 seats were to be filled in by nominations from the backward classes. The municipality has now been empowered to have an elected President, and some powers have been given to the Committee. The number of voters, according to the new list, out of a population of 2,42,000 is 1,21,000. The enthusiasm of the people for the municipal elections can be judged from the number of applications that came before Government for correction of the electoral rolls.

The National Conference contested in all the 15 constituencies. In 11 constituencies, the National Conference candidates were returned unopposed. In the remaining 4 constituencies the contest was between the National Conference candidates and the independent candidates and candidates of the P.S.P. The Plebiscite Front and the Political Conference did not contest the elections officially. While they appealed to the Muslim voters to boycott elections, they helped some of the independent candidates with all their available resources and strength. In spite of the appeal of the Plebiscite Front for boycott of the elections, about 48 per cent of the votes were polled. In the Habakadal constituency, the National Conference candidate, Dr. Chagtu, polled 3101 votes against 1,107 polled by Dr. S. N. Peshin, the opposition candidate. In the Basantbagh constituency, the National Conference candidate, Mr. Sri Kanth Chaku, polled 2,069 votes while his opponents lost. In the Tankipora constituency the National Conference candidate Haji Mohammad Sultan secured 2296 votes defeating his opponent Mr. Prem Nath Bakshi by a majority of 1898 votes. In the Drabiyar constituency, the National Conference candidate, Pt. S. N. Dhar, secured 1913 votes while his opponent, Mr. Hirdev Nath Dhar, secured only 475 votes.

Long before the elections were held, restrictions imposed on the holding of meetings were withdrawn by the District Magistrate. Consequently, meetings were freely held by the Opposition. Posters were issued freely. No complaint regarding the alleged beating or preventing of voters from exercising their right of vote was made before the polling officers. The weather was fortunately very fair and the voters had nothing to grumble about and distance which they had to cover was hardly about  $\frac{1}{4}$  mile.

In the end, I would respectfully submit to the House that it should kindly remember that when Bhaksi Gulam Mohammad and his colleagues took over the Government in August 1953, it was a very critical juncture in the history of Jammu and Kashmir. And, within the last 2 years they have done good and made good progress all round. There might have been some acts of omission and commission here and there. They are human beings and no human being can be perfect. I, therefore, respectfully request the House that in the interests of the people of Kashmir, it would be better that as little as possible should be talked and discussed in this House about Jammu and Kashmir and in whatever we discuss, let us forget party affiliation and think of India as a whole and give all our support to the present Jammu and Kashmir Government which is doing a good job.

**Dr. Krishnaswami (Kancheepuram):** Mr. Chairman, I am sorry that my hon'ble friend Mr. Asoka Mehta is not present in the House. This morning he recommended many books for study to the Finance Minister, I sir, propose, not to edify the Finance Minister, but to understand the Budget that has been presented by him.

The Budget proposals of this year cannot be understood unless we take into account the perspective of planned development. The Second Five Year Plan has allotted Rs. 4,800 crores to the public sector out of which we are expected to realise visible resources to the tune of Rs. 2,400 crores. Included in this amount is Rs. 450 crores to be raised from additional taxes, out of which Rs. 225 crores have to be raised by the Centre. If this is the environment in which we have to function, if this is context in which the Budget proposals have to be viewed, the most pertinent question we can put to the Finance Minister is: how

much should be attempted here and now and in what directions can we search for revenue in the coming years.

I must confess that I view the future with grave misgivings. The year's stepping up of investment expenditure has not been considerable. Even so, the problem of a revenue gap has arisen. In spite of additional taxation, we have left an uncovered deficit of Rs. 17.5 crores. What of the future? What will happen when there is accelerated expenditure in the coming years? How are we going to cover the deficits in the coming years? The particular increases in excise duties on cloth and vegetable oils only serve to underline the important fact that we have certain limited sources which we have tapped to the maximum.

As for direct taxation, we have reached very nearly the maximum limit. The direct taxation of personal incomes of persons in the higher income groups is already 92 per cent. The revenue implications of any further increase being obtained from this group are, therefore, extremely meagre in the succeeding years. It is only on one assumption that there can be a sharp increase in incomes. Where, there is a sudden shift in the income group from lower levels to the higher levels, we may realise an appreciable increase in income. And this, as the Finance Minister realises, cannot happen except in a period of great inflation. It is only in a period of inflation that we might have a sudden increase in nominal incomes which it would be pretty dangerous to rely on.

As for export duties, they are a most unreliable source due to uncertain world conditions. As for import duties we cannot possibly get anything like a visible increase because we are functioning in an economy which is ruled by import controls. I, therefore, suggest that the basic problem that we have to face is the question of narrowness on the base which we have chosen to rely on. The Taxation Enquiry Commission, consisting as it did of eminent persons, some of them more eminent than they deserve to be, did not go into this question in detail. And public statements that have been made have certainly not thrown any light on how the tax base is to be widened, how new sources are to be tapped and how we are going to defray the increasing expenditure which will take place in the coming years.

The Finance Minister has recommended the limitation of dividends on companies. He has also recommended taxation of bonus shares. There are two

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ways of approaching this question and I want to make no bones about these taxes when I suggest that this is not the opportune time to have introduced these taxes. Let me briefly explain as to why I think this is not the opportune time. We have to consider that in all cases of a tax proposal there is a psychological effect, and we have therefore to consider the levy of a tax from the point of view of tactics. From the point of view of tactics, we must realise that today we are in the early stages of a spending period and according to the Finance Minister's statement, it is not the inadequacy of resources that have held us back from spending more. The amount budgeted for could not be spent since the administration did not feel itself equal to the task that devolved on it. Would it not have been better—I ask the Finance Minister not to have wasted our weapons in the early stages of the fight? For if the curb is imposed, now we cannot use it effectively to control inflation when it actually starts. Secondly, a limitation of dividends has been recommended on the ground that it would be a valuable anti-inflationary device. But I want the Finance Minister to realise that while in the United Kingdom this has been a potent weapon, in India it will not be an effective weapon. For the contribution to the national income by companies in the United Kingdom is 35 to 40 per cent whereas in India it is not more than 5 to 6 per cent at the most. There is also another aspect of the matter which the Finance Minister and my friend, Shri Guha, in particular, should consider, especially as he has been responsible for passing that monstrous piece of legislation to control the activities of the Industrial Finance Corporation. Let us realise that we are creating a real problem for the formation of new companies. Most new companies will have to borrow either from the Industrial Finance Corporation or from the Industrial Credit and Investment Corporation. And borrowing as they do from either of these institutions, their dividend policy has necessarily to be cautious. For many years they will have to wait without declaring any dividends, and afterwards until they have repaid their loans, it will not be possible for them to give anything more than a limited dividend to their shareholders. Just when the prospects become bright, when the investors have a chance of getting a higher yield, the Finance Minister comes down on them and clamps them and suggests that they should not

have more than 6 per cent. This, I think, is grossly unfair, and when the Finance Bill comes before us I hope the Finance Minister will consider favourably the prospect of exempting new companies if it is our objective—as indeed I hope it is the objective of every Member in this House—that our capital market should be as broad-based as possible, then we should ensure the entry of new entrants into industry as possible. By our taxation policy we should not indirectly promote the growth of older companies into monopolies which is what we might do by pursuing a dividend limitation policy. I am afraid that this question has not been considered fully. From the point of view of the flow of venture capital into new business also we have to consider how far this measure will tend to exercise a retraining influence. In many areas there is a good deal of discontent with many aspects of the policy of the Government. A recent enactment that was placed on the statute book, —Company Law,—has not served in the least to instill any sense of confidence among the small investors. Company legislation has, in effect, clamped the prospects of the small investors making headway in many respects. I, therefore feel that if in addition we have a policy of dividend limitation, it will only increase the difficulties in the way of small investors venturing out and making contribution to the national product. After all, let us remember that we are in a mixed economy, and a socialist pattern of society also recognises the presence of small individuals able to make their way and their ability to contribute to the quota of goods in our country. In current discussions of a socialist pattern of society and planned development, I have found a regrettable tendency to discount unduly the potentialities of the price mechanism. In current thinking I include even the economists, the great economists whom the Finance Minister has invited to serve on the panel—there has been a tendency to under-estimate the virtues of the price mechanism, a tendency which is unfortunate and which is surprising considering the knowledge which they should possess of the virtues of the price mechanism. I feel that the current of economists in the panel has been particularly unfortunate and most unprogressive. They seem to have belief in direct allocations, in directions, and in a control operated for all time. They do not seem to realise the baneful consequences that would flow from merely relying on such artificial devices. While I do recognise that there is some

justification in certain cases for the price mechanism being curbed or supplemented by subsidies because of the great disparities in incomes between different sections and individuals of our society, I think there is need to realise more vividly its virtues. If we recommend subsidies, if we recommend curbs on the price mechanism, let us realise that we recommend them mainly because we feel that the price mechanism if allowed to operate without any check would work to the detriment of the under-privileged. That sort of restrictions I can understand, but what I can neither understand nor appreciate is that economists and some of the worthies of the Government of India coming out and talking glibly about allocations, about physical controls without being aware of the implications of such controls and without being subjected in the least to such controls, which if they were subjected to would not be a bad thing as they would then understand by experience the value of the price mechanism, what they have learnt in the preparatory schools of economists. If we are moving towards a socialist pattern of society . . . .

**Shri B. S. Murthy (Elluru):** We are.

**Dr. Krishnaswami:** If we are moving towards that, then there should be a continuous effort to see that reliance is placed on the price mechanism rather than on direct allocations. This is not being done. If as a result of deficit financing leading to inflation and further and greater curbs are placed on the price mechanism, most likely the pattern of society that we are likely to evolve instead of being socialist in character, would be a different type of society in which people do not get what they want but take what is given to them. That is the danger to which I should like to invite the attention of the Finance Minister and it is best that I do it now on the eve of the Second Plan.

There is another aspect of the matter to which the hon. Finance Minister has briefly referred. I wish he had been more explicit since it is of basic importance. The lavish expenditure that we have visualised requires to be carefully watched, says the Finance Minister. I entirely agree with him but I do think that it is not enough to watch it. We have to understand the implications of this large expenditure. A forty per cent. rise in prices—in another year or two—following as it would in the wake of an inflationary rise in prices which was evident from 1940 to 1952,—cannot be viewed

with equanimity as some economists seem to suggest. You have to take into account the environments of the country. If we had started with this investment expenditure in 1939 itself without any inflation having occurred before it or an inflation having occurred in the remote past, it would have been a different situation. But do remember when we are starting on a great investment expenditure and deficit financing especially after we have experienced a recent inflationary spiral from 1940 to 1952, we have to proceed with the greatest care. There are excellent social and economic reasons which any Government, any statesman worth this salt has to take into account. A forty per cent. rise in prices in the next three years would work havoc with two classes of people notably—namely, that forty per cent. of our people, the agricultural labour, notoriously under-privileged and the middle-class who are the salaried class. If there is a sudden rise, I do not know what the consequences will be. Even the administration may break down under the strain. We would have frequent charges of corruption and nepotism and other allied matters bandied about on the floor of this House and ground inquisitious. But the damage done to our economy would be great.

Economists, no doubt, talk of physical controls. But whoever has given thought to this problem of physical controls will realise that they are effective only when the excess demand is about ten or fifteen per cent. If it goes beyond 20 or 25 per cent. then they break down even as they have done in other countries of the world. I, therefore, ask the Finance Minister to view these matters with great caution and care. It may be even wisdom on our part to tone down the level of expenditure sometime next year if we find that the situation is serious. I have read interesting statistical estimates on the increases in national income to be anticipated, in the next two or three years. While they are useful, let us understand their limitations. A failure of monsoons can make nonsense of statistical figures even when they are compiled by so supposedly high an authority as Professor Mahalanobis. I do not think that anyone who has given thought to this question, has not been worried over what is going to happen. We have to move warily. I would, therefore, ask my friends on this and the other side of the House to emphasise the need for moving with caution and bring about a change in the attitude of the Government. What



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is necessary above all other things is that the Government should change its perspective with regard to problems of taxation; we have to reverse the historic process of concentrating only on a narrow coverage and consider how we are going to broaden it. If the Government is prepared to invite Members of the Opposition and various other experts for consultation, we may have light thrown on it, we can explore new sources; we may suggest ways and means of mopping up the surplus. We are prepared to offer our suggestions and they, we hope, will be considered by the Government. But if it becomes necessary in spite of the tax-base being broadened to meet an inflationary situation by restricting expenditure, Government should not be squeamish. After all, it is better to be temporarily unpopular than let the economy be sacrificed and face serious problems which may well-nigh become unmanageable and which, if we do not manage in time may delay our progress much more than we expect.

**श्री तेलकीकर (नान्देड़) :** सभापति महोदय मैं आपको धन्यवाद देता हूँ कि आप ने मुझे बोलने का मौका दिया। साथ ही साथ मैं फाइनेंस मिनिस्टर साहब को भी मुबारकबाद देता हूँ जिन्होंने कि इन मुश्किलत हालत में इतना अच्छा बजट तैयार किया। जो थोड़ा बहुत उन्होंने टैक्सों में इजाफा (वृद्धि) किया है उसके बारे में मैं कुछ नहीं कहूँगा क्योंकि उनका बहुत ज्यादा असर लोगों पर नहीं पड़ता। उन्हीं के सब्दों में अगर कहा जाय तो यह कहा जा सकता है कि द्वितीय पंचवर्षीय योजना एक महान प्रयास है और इतने बड़े काम के लिये जितनी भी कुरबानी हमें करने को कहा जाय वह थोड़ी होगी। लिहाजा यह जो थोड़ा बहुत उन्होंने टैक्सों में हेर फेर किया है इसके बारे में मुझे कोई शिकायत नहीं है। यह मैं मानता हूँ कि आर्थिक प्रगति के लिये हम बहुत कुछ कर रहे हैं। लेकिन मैं आपको बतलाना चाहता हूँ कि केवल लोगों की आर्थिक तौर पर उन्नति कर देने से देश तरक्की नहीं करता है। हम ने देखा है कि ऐसे भी कई देश थे जो कि बहुत ज्यादा आर्थिक संपन्न देश थे लेकिन फिर भी उनका पतन हुआ। तो मैं समझता हूँ कि लोगों को अन्न और कपड़ा मुहैया करने के साथ ही साथ उनमें एक बात की और भी जागृति उत्पन्न करना आवश्यक है। उनमें आज हमें सामाजिक सुधार भी लाने हैं। बिना सामाजिक सुधारों के

साथे हमारा देश असली प्रगति नहीं कर सकता है। आज जो सामाजिक कुरीतियाँ हमारे देश में हैं उनके कारण हमारे प्रगति में बाधा पड़ रही है। आज जो जातीयता यानी कम्युनलिज्म हमारे समाज में फली हुई है इसका निर्मूलन हमें करना है। कम्युनलिज्म को दूर करने के लिये हम थोड़े बहुत प्रयत्न तो अवश्य कर रहे हैं लेकिन इन प्रयत्न को कोई बड़े प्रयत्न नहीं कहा जा सकता। हम जो पढ़े लिखे लोग हैं और जो इतिहास से बाकिफ हैं वह तो जानते हैं कि जहाँ पर मुसलमानों ने हमारे साथ कुछ ज्यादतियों की वहाँ पर उन्होंने कुछ अच्छे काम भी किए। लेकिन जो गांव के रहने वाले लोग हैं जो देहाती लोग हैं वे इन बातों को नहीं जानते हैं। हम लोग यह जानते हैं कि मुसलमानों ने हमारे लिए अच्छी अच्छी आलीशान बिल्डिंग बनवाई हर प्रकार की सुविधायें हमें मुहैया कीं और हो सकता है कि कुछ बुरे काम भी किए हों। लेकिन मैं आपको एक छोटी सी बात बतलाना चाहता हूँ। मैं बनारस गया और मेरे साथ कुछ लोग भी थे। वहाँ पर विश्वेश्वरम् क मंदिर में कई हजारों की तादाद में लोग नहीं जाते बल्कि लाखों की तादाद में जाते हैं। वहाँ पर जब लोग जाते हैं तो उनको बतलाया जाता है कि यहां पर एक मस्जिद है और उसके नीचे एक मंदिर है। यह चीज इस ढंग से बतलाई जाती है जिससे कि दो जातीयों में आपस में पारस्परिक स्नेह और प्रेम पदा नहीं होता बल्कि उनमें एक दूसरे के लिए नफरत फैलती है। तो मैं समझता हूँ कि इस तरह की बातें हैं और इनकी तरफ भी हमारा ध्यान जाना चाहिए और इनको दूर करने के लिए हमें प्रयत्न करना चाहिये। तो खेड़े की जो लाखों लोग जाते हैं जब उनको ऐसी बातें बतलाई जाती हैं तो इसका उन पर क्या असर पड़ सकता है यह आप खुद ही समझ सकते हैं। मने देखा है कि विश्वेश्वरम् का जो मंदिर है यह एक बहुत पुराना मन्दिर है। . . . . .

**सभापति महोदय :** मैं मेम्बर साहब को याद दिलाना चाहता हूँ कि आज सुबह ही स्पीकर साहब ने वह हद (सीमा) बतलाई थी जिन के अन्दर आनरेबल मेम्बर्स को बजट की बहस के वक्त रहना है। मेरे खयाल में आप कुछ उसके बाहर जा रहे हैं।

**श्री तेलकीकर :** मैं शायद उस वक्त यहां नहीं हूँगा। इसलिये मुझे मालूम नहीं है कि किस बात की मुमानियत (मनाही) की थी।



**सभापति महोदय :** यों तो बजट में बहुत चीजें हैं। लेकिन इस वक्त जनरल डिसकशन (सामान्य चर्चा) हो रहा है। आप को बाद में इन बातों को कहने का मौका मिल सकता है।

**श्री तेलकीकर :** लेकिन यह तो नहीं कहा जा सकता है कि बजट इस चीज से खाली है। मैं समझता हूँ कि इसको कहा जा सकता है।

**सभापति महोदय :** मैं समझता हूँ कि माननीय सदस्य इस वक्त इस बहस में न पड़कर अपने वक्त को ज्यादा यूजफुली (लाभदायक) काम में लावें।

**श्री तेलकीकर :** मैं यह चीज इस लिये कह रहा था कि हमको आगे चल कर लोगों में सहानुभूति को बढ़ाना है।

दूसरी बात नामों के मूताल्लिक (सम्बन्ध में) है। इस तरफ भी गवर्नमेंट आगे कदम बढ़ा रही है। बाज मर्तबा (कुछ बार) तो यह हुआ है कि उनकी लिपि की खराबी की वजह से यह गलत नाम प्रचलित हो गये। इसलिए भी बाज (कुछ) जगहों के नाम बदल गये। जैसे वे लोग कंचन गंगा को कंचनचंगा कहते थे तो क्या यह जरूरी है कि हम भी उसी गलत नाम को कायम रखें। इसी तरह से उनकी लिपि की खामी की वजह से बहुत से नाम बिगड़ गये हैं। उनमें सुधार होना चाहिए।

बाज जगह नामों को अमदन (सप्रयोजन) भी बदला गया है। यह चीज हमारे यहां ज्यादा देखने में आती है। अगर किसी जगह किसी आदमी ने एक मकान या एक सड़क भी बनवा दी तो उसका नाम उसी आदमी के नाम पर रख दिया गया है। जैसे हमारे यहां एक जगह इन्दूर है जिसको निजामाबाद कहा जाता है। यह तो मैं मानता हूँ अगर कोई आदमी कोई नई चीज बनवाये, चाहे वह हिन्दू हो या मुसलमान हो या ईसाई हो, तो उसके नाम पर उस जगह का नाम रखा जा सकता है। लेकिन जो नाम चला आ रहा है उसको तबदील करके दूसरा नाम रखना मैं ठीक नहीं समझता। इसकी तरफ बाज लोग ख्याल नहीं करते हैं लेकिन मैं देखता हूँ कि इन चीजों से लोगों को कोई अच्छी नसीहत नहीं मिलती बल्कि इससे नफरत पैदा होती है। इन चीजों को हमें हटाना चाहिए और लोगों के बीच में अच्छे ख्यालात पैदा करने चाहिये। इस लिये मैं समझता कि हूँ अगर गवर्नमेंट इस तरफ ध्यान दे तो स्थिति में बहुत सुधार हो सकती है।

एक बात मुझे और अपनी स्टेट के मूताल्लिक कहनी है। मैं देख रहा हूँ कि इस स्टेट्स रिआर्ग-नाइजेशन के सवाल को लेकर मुल्क के टुकड़े टुकड़े हो रहे हैं। जहां गवर्नमेंट में एक इलाके के लोग ज्यादा तादाद में हैं वहां वे उस हिस्से को ज्यादा आगे बढ़ाने की कोशिश कर रहे हैं।

**सभापति महोदय :** मैं माननीय सदस्य से कहूंगा कि यह बजट का जनरल डिसकशन है। वे कुछ ऐसी बातें भी कहे जिनसे फाइनेंस मिनिस्टर साहब को उनकी राय का कुछ फायदा पहुंचे।

**श्री तेलकीकर :** मैं यह अर्ज कर रहा था कि सेंट्रल गवर्नमेंट जो मुस्तलिफ हिस्सों को बजट में रकमें देती है उन पर भी सेंट्रल गवर्नमेंट का कुछ कंट्रोल होना चाहिये। पहली पंचवर्षीय योजना में कुछ इलाकों को ज्यादा रकम दी गयी और कुछ को कम और यह कहा गया कि उन जगहों में जिनको कम रकम दी गयी सोसेज (स्रोत) नहीं हैं। जैसे हमारे यहां तेलंगना को ज्यादा रुपया दिया गया और दूसरे हिस्सों को कम। अब दूसरी पंचवर्षीय योजना आ रही है। इसमें हमारी स्टेट को सौ करोड़ दिया गया है जिसमें मराठवाड़ा को २० करोड़ मिलेगा हालांकि वहां कि आबादी कुल स्टेट की ३८ प्रतिशत है। जवाब यह दिया जाता है कि जो प्राजेक्ट पहले से चल रही थी उसके लिये ३८ करोड़ दिया जाता है और बाकी में से दूसरे हिस्सों को बीस बीस करोड़ दिया जायेगा। लेकिन देखना तो यह होगा कि अगर एक मर्तबा एक हिस्से को ज्यादा रकम दे दी गयी है तो दूसरी मर्तबा दूसरे हिस्से को ज्यादा सुविधा दी जानी चाहिये। मैं फाइनेंस मिनिस्टर साहब की तवज्जह इस तरफ दिलाना चाहता हूँ। अगर वे इस तरफ ध्यान देंगे तो मैं समझता हूँ कि स्थिति में जरूर सुधार हो सकता है।

**श्री एच० आर० नयानी (भीलवाड़ा) :** माननीय सभापति जी, मुझे इससे बहुत प्रसन्नता है कि आपने मुझे सदन में बोलने का अवसर दिया। इसके लिये मैं आपको हादिक धन्यवाद देता हूँ।

जो बजट हमारे वित्त मंत्री ने सदन के सामने रखा है उसमें सब बातों का विशेष रूप से विवेचन किया गया है। लेकिन आज जैसी हमारे देश की स्थिति है, आज जैसी लोगों में गरीबी और बेरोजगारी फैली हुई है, उसको देखते हुए एक बात मुझे बहुत खटकती है और वह यह है कि सभी प्रकार के सूती कपड़ों पर ६ पाई प्रति गज के

### (श्री एच० आर० नथानी)

हिसाब से उत्पादन शुल्क बढ़ा दिया गया है। यह बहुत ही अनुचित प्रतीत होता है। यह बात ठीक है कि देश को प्रगति करना है और इस समय जो दूसरी पंचवर्षीय योजना लागू की जानेवाली है उसके लिये बहुत धन की आवश्यकता है और वह सब तरफ से इकट्ठा किया जायेगा, किन्तु कुछ ऐसे क्षेत्र हैं जिन पर हमको कुछ दया करनी पड़ेगी। आज जब कि भारत की कोटी कोटी जनता अर्धनग्न अवस्था में रह रही है, उसके पास पर्याप्त मात्रा में कपड़ा नहीं है, उसके पास खाने को पूरा अन्न नहीं है, वह एक समय खा कर अपनी जीवन रक्षा कर रही है, ऐसी अवस्था में मैं समझता हूँ कि जो उत्पादन शुल्क सभी प्रकार के सती कपड़ों पर लगाया गया है यह न लगाया जाता तो बहुत अच्छा होता। मेरी तो मंत्री मंहोदय से यही प्रार्थना है कि इस प्रकार का शुल्क सब प्रकार के सूती कपड़ों पर न लगाया जाये।

एक बात उन्होंने बहुत अच्छी की है कि उन्होंने मोटे कपड़े की धोतियों और साड़ियों पर यह शुल्क नहीं लगाया है। इसके लिये मैं उनको बहुत धन्यवाद देता हूँ। उन्होंने भारत की अर्धनग्न जनता पर यह कृपा प्रकट करके बहुत अच्छा कार्य किया है। लेकिन मैं चाहूँगा कि यह जो दूसरे मोटे कपड़े पर शुल्क लगाया गया है इसको भी हटा दिया जाये और अगर ऐसा करना सम्भव न हो तो कम से कम इस शुल्क को ६ पाई प्रति गज से घटाकर तीन पाई कर दिया जायें। मैं आशा करता हूँ कि इस पर हमारे वित्त मंत्री जी अवश्य ध्यान देंगे। आज देश की गरीबी का यह तकाजा है कि इस तरह का शुल्क गरीब जनता की आवश्यकता की चीजों पर जितना कम लगे उतना अच्छा है जिससे कि लोगों को कपड़े के मामले में तकलीफ न हो।

एक बात जो मुझे बहुत सुन्दर लगी वह यह है कि अगली पंचवर्षीय योजना की देखरेख रखने के लिए एक उच्च अधिकार प्राप्त समिति नियुक्त करने का प्रस्ताव है। पिछली योजना के समय यह बात काफी सुनने में आयी थी कि ठेकों आदि में गवन हुआ और काफी गड़बड़ियाँ हुई। लेकिन इस बजट में जो यह उच्च अधिकार प्राप्त समिति रखी जा रही है उसका मैं हार्दिक स्वागत करता हूँ। कहा गया है कि उसमें केंद्र के मंत्रिगण और योजना आयोग के उप-सभापति भी शामिल होंगे। मैं चाहता हूँ कि इस समिति में संसद के विरोधी दल के कुछ सदस्यों को अवश्य स्थान दिया जाये। ऐसा

करने से देश की जनता पर बहुत अच्छा असर पड़ेगा। इसलिये मैं चाहता हूँ कि इस उच्च अधिकार प्राप्त समिति में विरोधी दल के सदस्यों को अवश्य ही लिया जाये।

जब सारे देश की तरक्की करनी है तो विरोधी पक्ष के सदस्यों की राय की भी बहुत कद्र की जानी चाहिए क्योंकि आखिर वे भी तो लाखों और करोड़ों देशवासियों का प्रतिनिधित्व इस सदन में करते हैं।

ऑस्ट्रेलिया सरकार ने जो १८ लाख ऑस्ट्रेलियाई पौंड मूल्य पर भारत सरकार को मालगाड़ी के १००० डिब्बे और आल इंडिया रेडियो के लिये कुछ साज सामान देना स्वीकार कर लिया है, तो यह कब तक वहाँ से प्राप्त हो जायेगा, इसकी भी जानकारी अवश्य दें। यह बहुत ही आवश्यक है।

यह ठीक बात है कि चिकित्सा और सार्वजनिक स्वास्थ्य के ऊपर भी काफी पैसा खर्च होता है और आगे के बजट में भी और अतिरिक्त धनराशि दी जा रही है। मैं चाहता हूँ कि इस अतिरिक्त धनराशि का उचित उपयोग हो और यह देखना बहुत ही आवश्यक है कि देश की गरीब जनता के एक एक पैसे का सदुपयोग हो और वह इस तरीके से उड़ाया न जाय, जिस तरह कि आज बहुत सी जगहों पर उड़ाया जा रहा है। यह जो आज जनता के पैसे का अपव्यय हो रहा है यह बहुत ही अनुचित है और मैं चाहता हूँ कि भारतीय जनता के पैसे का सदुपयोग हो और दुरुपयोग न हो और यह बहुत आवश्यक है कि उस पर हमारी उच्च अधिकार प्राप्त समिति पूरा पूरा ध्यान रखे जिससे जनता के रुपये का दुरुपयोग न हो। आजकल रुपये का कितना दुरुपयोग होता है इसका एक उदाहरण मेरे सामने मौजूद है। अभी हमारे भीलवाड़ा क्षेत्र में जो एक बहुत बड़ा मजदूर क्षेत्र है, वहाँ पर सेंट्रल माइका माइन लेबर वेलफेयर फंड है और उसमें काफी रुपया जमा है और उस रुपये का किस तरह से दुरुपयोग हो रहा है, उसका एक नग्न चित्र हमारे सामने है और जो वहाँ पर मजदूरों की भलाई के लिए गंगापुर में अस्पताल बन रहा है, वह अस्पताल एक ऐसे स्थान पर बन रहा है जहाँ पर मजदूरों की संख्या बिल्कुल नगण्य है, नहीं के बराबर है, वहाँ पर इतना रुपया बेकार खर्च किया जा रहा है। मजदूरों को जिनका कि वह पैसा है और जिनको कि उस अस्पताल की सुविधा मिलनी चाहिये उससे उन्हें बंचित रखा जा रहा है। जरूरत इस बात की थी कि इस सेंट्रल माइका माइन लेबर फंड (केन्द्रीय अन्न खान अन्निक कल्याण निधि) के रुपये का

मजदूरों के क्षेत्र में उपयोग होना चाहिए न कि उस क्षेत्र में जहाँ कि मजदूरों की संख्या बिल्कुल नहीं है। मुझे आशा है कि इस और ध्यान दिया जायेगा और इसी तरह से और भी जो गड़बड़ियाँ हैं, वे हटा दी जायेंगी।

रूरकेला भिलाई और दुर्गापुर में इस्पात के जो कारखाने बन रहे हैं उन में मशीनों पर ४४ करोड़ रुपये खर्च करने की जो व्यवस्था है, उनमें क्रमशः मशीनों पर और उन कारखानों पर कितना रुपया खर्च किया जायेगा, इसके बारे में मैं जानकारी प्राप्त करना चाहूँगा।

इसी तरह से मैं यह मानता हूँ कि यद्यपि शिक्षा की समुचित व्यवस्था करने के लिए काफ़ी धनराशि व्यय की जा रही है ताहम (तथापि) हमारी शिक्षा की व्यवस्था संतोषजनक नहीं है। ऐसे स्कूल जहाँ पर देश के गण्यमान्य नेताओं को बदनाम किया जाता है, हमारे गांधी जी तक को बदनाम दिया जाता है और बड़े बड़े नेताओं को बदनाम किया जाता है, मैं चाहता हूँ कि ऐसे स्कूल कालिजों को बिल्कुल बंद कर दिया जाये, ऐसे स्कूल और कालिज नहीं चलने चाहियें चाहे वह किसी के भी हों। मैं आशा करता हूँ कि इन सब बातों पर पूरा ध्यान रखा जायेगा।

मेरा निवेदन है जो उच्च अधिकार प्राप्त समिति बन रही है, उसमें विरोधी सदस्यों को अवश्य स्थान दिया जाये तभी वास्तविक चीज हमारे सामने आ सकेगी। आज देश में इस बात की सबसे बड़ी आवश्यकता है कि उसका काम चलाने के लिए सच्चे और ईमानदार व्यक्ति प्राप्त हों और यही कारण है कि देश भरबों रुपये खर्च करने पर भी उतनी प्रगति नहीं कर सका है जितनी कि उसे करनी चाहिये थी। आज हमारे प्रधान मंत्री का सारे विश्व भर में नाम फैल रहा है। कारण यह है कि उनमें निष्पक्षता है, सच्चाई है और उनमें ईमानदारी है और मैं चाहता हूँ कि हमारे प्रधान मंत्री से हमारे अन्य मंत्रिगण और सरकारी अफसरों को शिक्षा लेनी चाहिये और याद रखिये कि जब तक हमारे देश के शासक वर्ग में और जनता में ईमानदारी और सच्चाई की भावना नहीं आती तब तक हमारा देश उन्नत नहीं हो सकता। देश की उन्नति के लिये विद्वता और शिक्षा की भी आवश्यकता है लेकिन सच्चाई और ईमानदारी सबसे बढ़ कर है। इनका परस्पर सामंजस्य होना चाहिये और मुझे आशा है कि इन सब बातों को ध्यान में रख कर हमारे वित्त मंत्री

महोदय इन पर विचार करेंगे। मैं अन्त में एक बार फिर सभापति महोदय को जिन्होंने मुझे बोलने का अवसर दिया है उसके लिए उनको धन्यवाद देता हूँ।

**श्री एम० एल० द्विवेदी (जिला हमीरपुर) :** सभापति महोदय, अभी हमारे एक माननीय सदस्य वित्त मंत्री महोदय के संबन्ध में कह रहे थे एक उनमें यह सुन्दर बात है और दूसरी उनमें यह सुन्दर बात है लेकिन मेरा तो ऐसा ख्याल है कि हमारे वित्त मंत्री में बहुत सी बातें सुन्दर हैं, सबीग सुन्दर हैं। . . . . .

**सभापति महोदय :** वित्त मंत्री में या बजट में ?

**श्री एम० एल० द्विवेदी :** वित्त मंत्री में खूबियाँ हैं तभी तो उन्होंने ऐसा सुन्दर बजट तैयार किया है और जो बजट उन्होंने तैयार किया है, उसमें बहुत सी खूबियाँ भर दी और यह उनकी योग्यता का फल है कि आज हमारे सामने प्रथम पंचवर्षीय योजना सफलतापूर्वक समाप्त हो चुकी है और उसकी बहुत सी बातें करीब करीब पूरी हो गई हैं और अब दूसरी योजना को सफलतापूर्वक चलाने के लिये उन्होंने एक ऐसे बजट का निर्माण किया है जिसमें टेक्सेशन या जो कर की नीति है वह इस प्रकार से रखी है जिसमें मामूली आदमी पर बोझा कुछ न पड़े, साथ ही साथ जो हमारा दृष्टिकोण है कि समाजवादी ढाँचे का हम सूत्रपात अपने देश में करें उसको पूरा करने की कोशिश की गई है। यह एक बड़ी कुशलता की बात है क्योंकि एक ऐसे देश में जहाँ पर विभिन्न प्रकार के और विभिन्न मत के लोग रहते हैं और बहुत बातों में उनके भिन्न भिन्न दृष्टिकोण हैं, साथ ही साथ हमारा देश इतना निर्धन देश है, इतना गरीब देश है कि नीचे तबके (वर्ग) के लोगों को ऊपर ले जाने के लिये साधनों की आवश्यकता है और उन साधनों को इकट्ठा करना और जुटाना और उसको कामयाबी के साथ पूरा करना एक बहुत बड़ा काम है और इसलिए यह श्रेय हमारी भारत सरकार को जाता है जिसने हमें ऐसा वित्त मंत्री दिया और जिनके कि कारण हम देश को इतना ऊँचा ले जा रहे हैं कि संसार भर में भारतवर्ष शीघ्र ही सबसे उच्च कोटी के देशों में गिना जायेगा।

मैं चाहता हूँ कि वित्त मंत्री महोदय का ध्यान कुछ ऐसी बातों के तरफ भी दिलाऊँ कि जो गौर तलब (विचारनीय) हैं। उदाहरण के लिए अभी आप ने जो कर नीति देश के सामने रखी

### [श्री एम० एल० द्विवेदी]

है, इस में कोई शक नहीं है कि आपने ऊँची श्रेणी के लोगों पर, पूंजीपतियों पर कुछ अतिरिक्त कर का बोझ डाला है लेकिन पिछले जितने बजट रहे हैं, उन सब में साधारण व्यक्ति पर ज्यादा चोट होती रही है, आज उस साधारण व्यक्ति पर चोट कम है, फिर भी किसी न किसी मात्रा में है। कपड़े पर लीजिये या तेल आदि वस्तुओं पर जो उत्पादन कर में वृद्धि की गई है, उसका असर इसी मध्यम वर्ग पर पड़ता है, उसी पर चोट जाती है और इस साधारण व्यक्ति की तो उस हरिण की सी स्थिति होगई है जो कि पेड़ से चिपक कर खड़ा है और तीरभ्रंदाज उस पर तीर लगा रहा है, इस तरह की दयनीय गति उसकी होगई है। मैं जानता हूँ कि वित्त मंत्री महोदय का ध्यान जैसा कि उन्होंने अपनी बजट स्पीच में कहा है यह है कि शासन शक्ति जो है उसका संक्शन नहीं बल्कि जनशक्ति का संक्शन उनकी इन योजनाओं में है। उस जनशक्ति के संक्शन की ओर उनका ध्यान है और मुझे खुशी है कि वह जनशक्ति की महत्ता को स्वीकार करते हैं लेकिन वित्त मंत्री महोदय मानेंगे कि एक तीसरी शक्ति और होती है और वह है सचिव शक्ति। जनशक्ति और राज्य शक्ति के बीच में जो एक कड़ी है और आवश्यक कड़ी है, वह सचिव शक्ति है और उसी शक्ति के बल पर हम अपने शासन सत्ता को चला रहे हैं और जनशक्ति को ऊंचा उठा रहे हैं। उस शक्ति को अगर आप दृढ़ संकल्पित और मजबूत बना सकें और उसमें ईमानदारी ला सकें तो आप निश्चय मानिये कि हमारा देश स्वर्ग बन सकता है। थोड़ी सी कमियाँ हैं जैसे बजट का लीकेज हो जाना, बजट का समय से पूर्व ही उसका रहस्योद्घाटन हो गया और आपकी इस सचिव शक्ति की कमजोरी के कारण और इस कड़ी की कमजोरी के कारण ही हमारे इतने अच्छे बजट का थोड़ा सा मज़ाक हो गया इसलिये यदि आप इस कड़ी को ठीक करने के लिये थोड़ा कड़ा बन कर इस ओर ध्यान दें और अपने सचिवालय को इस प्रकार से पुनः संगठित करें कि उनमें ईमानदारी की मात्रा अधिक हो जाये और यदि ऐसा हो जाये तो आप निश्चय मानिये कि यह सब काम ठीक बन सकता है।

एक दूसरी बात आपके कर प्रस्तावों के सम्बन्ध में विचारणीय है और वह यह है कि आपने इसमें कुछ ऐसे वर्गों को छूटा छोड़ दिया है जिनको कि आप टैक्स कर सकते थे। उदाहरण के लिये हमारा राजा, महाराजाओं को

ले लीजिये और मैं कहूँगा कि जिनकी की प्रिवी पसंज (निजी थैली) बहुत लम्बी चौड़ी है, जिनके कि पास बहुत बड़ी बड़ी जायदादें हैं और जिनकी कि जायदादें किराये पर उठी हुई हैं और जो बड़े बड़े रोजगार करते हैं, उनके लिए मेरा कहना है कि आप हर किस्म के भ्रादमियों पर तो टैक्स लगाते हैं लेकिन हमारे राजे महाराजाओं के ऊपर कोई टैक्स नहीं लगाते। आप उन पर टैक्स न लगाइयें यदि आपने कोई संकल्प किया हुआ है अथवा कोई शर्त रखी है कि उन उन पर टैक्स नहीं लगाया जायेगा तो आप इतना तो कर सकते थे कि जिनकी आमदनी एक अमुक धनराशि से ज्यादा हो, वे राष्ट्रीय ऋणों में उस रकम को रख देंगे। पांच हजार या दस हजार रुपये से ऊपर जिनकी आमदनी हो, उसको उन्हें राष्ट्रीय ऋणों में दे देना चाहिए। इसमें उनका कोई नुकसान भी नहीं होता है और साथी ही साथ हमारे राष्ट्र का काम भी चलता है।

५००० रु० महीना उन को लिये छोड़ दिया जाये, बाकी ऊपर की जितनी आमदनी हो वह ऋणों में ले ली जाये, मेरे कहने का मतलब यह है।

दूसरी चीज यह है कि आप ने देखा है की हमारे वित्त मंत्री की तन्स्वाह २७५० रु० महीना है, हमारे प्रधान मंत्री की तन्स्वाह २७५० रु० महीना है।

कुछ माननीय सदस्य: २२५० रु० महीना।

श्री एम० एल० द्विवेदी : २२५० रु० सही। यह उनकी तन्स्वाह है। अब आप देखिये कि जो हमारे कर्णधार हैं उन की तन्स्वाह तो २२५० रु० महीना है लेकिन जो उनके मातहत हैं उन की तन्स्वाह उससे बहुत ज्यादा है। किसी की ३००० रु० है किसी की ४००० या ५००० रु० है। मुझे इसमें कोई आपत्ति नहीं कि उन को ज्यादा तन्स्वाह दी जानी चाहिये, लेकिन अगर प्रधान मंत्री जैसे व्यक्ति २२५० रु० में अपना गुजर कर सकते हैं तो इसमें कोई भी संशय नहीं है कि दूसरे भी इतने में गुजर कर सकते हैं। उन को सोचना चाहिये कि इस समय हमारे देश के सामने बड़ी बड़ी समस्याएँ हैं, हम अपने देश का उत्थान करना चाहते हैं, उस को ऊँचे ले जाना चाहते हैं और पुनर्गठित करना चाहते हैं। इस के लिये हमें धन की आवश्यकता है ताकि हम अपने रचनात्मक कार्य पूरे कर सकें। यदि वे लोग अपने धन को छोड़ नहीं सकते, या हमारे वित्त मंत्री इस को कर सकने में असमर्थ हैं, तो वे कम से कम इतना तो कर ही सकते हैं।

कि जिन लोगों की तन्स्वाहा २२५० रु० से ज्यादा है, उनसे २२५० रु० छोड़ कर शेष रुपया राष्ट्रीय ऋण में ले लिया जाये। उन को इतना तो करनाही चाहिये, क्योंकि जब कभी किसी देश में संकट आया है, कभी भी कोई लड़ाई हुई है तो इस प्रकार की कटौती की गई है, तथा लोगों को २५, २५ फीसदी तक और कभी कभी ५० फीसदी तक भी देना पड़ा है। मैं ने सुना है कई राष्ट्रो में इस बात को किया गया है और भारत सरकार में भी ऐसा हुआ है।

आज आप के सामने एक कठिन परिस्थिति है। आप कहते हैं, कर-नीति के सम्बन्ध में, कि हम ने कपड़े पर टैक्स इस लिये बढ़ाया कि जो ऐग्रिकल्चरल कमोडिटीज (कृषिपदार्थ) हैं उन की प्राइसेज गिर गई थीं और अब उनके दाम बढ़ रहे हैं। इस तरह से टैक्स बढ़ाने में आप को कोई आपत्ति नहीं मालूम होती है। आप का स्थान बहुत सुन्दर है, और यह ठीक भी है कि ऐसा होना चाहिये था, लेकिन यदि आप इस पर गौर से विचार करेंगे तो देखेंगे कि जिस वक्त तक चेत में फसल कटती है उस के बाद से जब तक किसान उस को बेचता है उस वक्त तक तो सस्ती थी और उस को दाम कम ही मिले। आज जो दाम बढ़ रहे हैं उस से किसान को कोई मुनाफा नहीं मिला, मिडल मैन को मुनाफा है जिस ने गल्ला खरीद लिया था। किसान को इसका पैसा नहीं जाता है। किसान को पैसा भी कम मिला और टैक्स भी बढ़ गया। आप इस बात को सोचें कि अगर फसल कटने के पहले ही गल्ले का दाम बढ़ जाता तो किसान की आमदनी बढ़ती उस समय अगर आप उस को टैक्स करते तो ठीक था, लेकिन इस समय तो यह विचार कल्पनात्मक ही है, इस में वास्तविकता नहीं है, कि किसान की आमदनी बढ़ी क्योंकि वह तो अपनी फसल अप्रल के पहले ही बेच चुका था और उस समय उस को अपने गल्ले का दाम सात, आठ या दस रुपया मन ही मिला था। उस गल्ले को दुकानदारों ने खरीद लिया था और आज वही लोग उसको १८ और २० रुपया मन बेच रहे हैं। इस तरह से वही लोग मुनाफा कमा रहे हैं न कि बेचारे किसान।

अगर आज आप देहातों में चले जायें तो देखेंगे कि बड़े बड़े प्लेन्स चल रहे हैं लेकिन उन को उस से कोई विशेष लाभ नहीं पहुंच रहा है। हम ने अपने प्लेन में यही स्थान किया कि बड़े बड़े शहरों का सुधार करना है, बड़े बड़े बांध बन रहे हैं, रेलों का इन्तजाम हो रहा है, लेकिन कहाँ? जहाँ पहले से इन्तजाम है वहाँ आप

और इन्तजाम कर रहे हैं। क्योंकि आप की कम्पानटी प्राजेक्ट्स (सामुदायिक परियोजना) तथा दूसरे काम वहीं चल सकते हैं जहाँ रेलों के द्वारा माल जल्दी पहुंच सकता है, जहाँ रेल नहीं है वहाँ जल्दी माल नहीं पहुंच सकता है। नतीजा यह होता है कि वहीं काम हो रहा है जहाँ आसानी से हो सकता है। बड़ी जल्दी नई दिल्ली का स्टेशन बन सकता है, आगरे का रेलवे स्टेशन बन सकता है, भाखरा नंगल का बांध बन सकता है। लेकिन देहातों में जहाँ किसान के पास कपड़ा ठीक से नहीं है, जहाँ किसान के न्यूट्रिटिव (पोषी) भोजन नहीं है, स्कूल की इमारत नहीं है, अस्पताल नहीं है, सैनिटेशन (स्वच्छता) का प्रबन्ध नहीं है। मैं कहाँ तक गिनाऊँ, आप स्वयम् जा कर देख लें, वहाँ पर क्या हालत हो गई है। आज देहातों की हालत बेसी ही गरीब है जैसे कि बारहसिंगे के सींग और पैर। वह पैरों को देख कर नफरत करता है और सींगों पर फट्ट करता है। हमारे सींग बढ़ते चले जाते हैं लेकिन पैरों की तरफ हम गौर नहीं करते। आज आवश्यकता इस बात की है कि इस पंचवर्षीय योजना में अगर आप सुधार कर सकें तो इस बात की कोशिश करें कि हम कम से कम हर पोलिंग स्टेशन (मतदान केन्द्र) तक सड़क हो, हर पोलिंग स्टेशन पर डाकखाने ले जायें। आप कहते हैं कि खर्चा बढ़ रहा है, मैं कहता हूँ कि आल इंडिया रेडियो में क्या खर्चा ज्यादा नहीं है? मैं आप के रिमान्स को पढ़ना चाहता हूँ जहाँ आपने लिखा है:

“The rates charged at present are in many cases below the cost of the services”.

मेरा कहना है कि रेडियो में भी और दूसरी जगहों पर भी सावसेज की कास्ट (लागत) आप जनता से थोड़े ही निकाल पाते हैं। आप रेडियो के लिये १५ रु० लाइसेन्स फीस लेते हैं लेकिन क्या उस से आल इंडिया रेडियो का पूरा खर्चा वसूल हो जाता है? ऐसे बहुत काम हैं बहुतसी सेवायें हैं जिन को आप राष्ट्र के हित में करते हैं, शिक्षा में जो कुछ आप व्यय करते हैं उस से आप को कोई आमदनी नहीं होती है, इसी तरह से जो डाक की सेवा है उस में आप को यह विचार नहीं करना चाहिये कि उस से आप को इतना इतना फायदा हो जाये। आप मालूम कीजिये कि देहात के बच्चों की हालत क्या है, किताबें शहर में ही मिलती हैं। जो किताब शहर के बच्चों को १४ आ० में मिलती है वह देहात के बच्चों के लिये सबा दो रु० में पड़ती है। मान लीजिये कि

[श्री एम० एल० द्विवेदी]

किताब का दाम १४ आ० है। शहर में वह उसकी रजिस्ट्री कराता है जिस के उस को ८ आ० देने पड़ते हैं, उस के बाद पार्सल के लिये उस को ८ आ० देने पड़ते हैं। अगर वह बी० पी० से मंगाता है तो डाक का खर्च और मनी आर्डर फी वगैरह सब मिला कर उस को और ४ या ६ आ० पड़ जाते हैं। इस तरह से सब मिला कर उसको १४ आ० की किताब के लिये २ रु० या सवा दो रु० देने पड़ते हैं। इस में आप को कमी करनी चाहिये। लेकिन अगर आप सबके लिये यह छूट नहीं दे सकते तो कम से कम विद्यार्थी वर्ग के लिये रजिस्ट्रेशन फी (पंजीयन शुल्क) में जरूर ही कोई न कोई छूट देने की कोशिश करें। कम से कम टेक्स्ट बुक्स (पाठ्य पुस्तकें) यदि विद्यार्थी मंगाये तो उस के लिये छूट होनी ही चाहिये। अगर आप यह करते हैं तो आप शिक्षा को बढ़ाने में सहायक होंगे। अभी जब मैं ने श्री राज बहादुर से बात की तो उन्होंने कहा कि विद्यार्थी अलिफ लैला की किताब मंगायेगे बजाय टेक्स्ट बुक मंगाने के। हमारे जो कर्मचारी हैं वह इसको देख नहीं सकते हैं कि पार्सल के अन्दर क्या जा रहा है। मेरा कहना यह है कि अगर वे लोग अलिफ लैला ही मंगाते हैं तो भी तो कुछ उन का ज्ञान ही बढ़ेगा। हम को ज्ञान का प्रसार करना है इस लिये यदि कोई ज्ञान बढ़ाने के लिये कोई किताब लेता है इस लिये उस से ज्यादा फीस नहीं लेनी चाहिये। मेरी अपील है कि आप इस पर गौर करें और यदि फीस कम न करें तो कम से कम टेक्स्ट बुक्स को इस से मुक्त करें।

**प्रतिरक्षा संगठन मंत्री (श्री त्यागी) :**  
लड़के नावल पढ़ने लगेंगे।

**श्री एम० एल० द्विवेदी :** कवि ने कहा है :

नरपति हितकर्ता द्वेवेध्यतां याति लोके।

जनपद हितकर्ता त्यज्यते पाषिवेन्द्रः।

नरपति जनपद हितकर्ता वर्तमाने समाने

दुर्लभाः कार्यकर्ता ॥

**सभापति महोदय :** माननीय सदस्य श्रीों से बातें कर रहे हैं, वे चेन्नै की तरफ देखें।

**श्री एम० एल० द्विवेदी :** यानी ऐसे लोग जो नरपति अर्थात् राजा तथा जनता दोनों का हित करे, दुर्लभ हैं। लेकिन भला मंत्री वही है जो दोनों का हित करता है और अपने शासन की बागडोर आगे की ले जाता है। जो ऐसा बजट तैयार करे जिस से राजा और प्रजा दोनों का कल्याण हो। हम पंचवर्षीय योजना का कार्य

भी चलायें और जनता के ऊपर भी अधिक बोझ न डालें। आप न बहुत अच्छा प्रयत्न किया है, मैं उस की सराहना करता हूँ और बचाई देता हूँ। लेकिन दो चार बातों की तरफ आप का ध्यान आकर्षित करना बहुत आवश्यक समझता हूँ।

आप ने इन्डस्ट्रीज (उद्योगों) के ऊपर आयात कर लगा दिया है। उन इन्डस्ट्रीज में बाईसिकिलें हैं, दूसरी चीजें हैं। कुछ ऐसी चीजें हैं जिन के ऊपर १०० फीसदी तक ड्यूटी (शुल्क) लगा दी है। लेकिन आप एक चीज भूल जाते हैं कि कुछ इन्डस्ट्रीज ऐसी हैं जो कम दाम में बही चीज बना सकती हैं। लेकिन प्रोटेक्शन (संरक्षण) होने की वजह से हमारी जनता पर उसका बोझ पड़ता है। जो साइकिल यहां पर २५ या ३० रु० में मिल सकती है वह आज हमें १५० या १७५ रु० में मिलती है। अगर आप उस पर छूट दे दें और प्रोटेक्शन (संरक्षण) न दें तो साइकिलों के दाम गिर जायेंगे। इसी प्रकार से बहुत से उद्योग घंटे हैं जिससे बड़े लोग फायदा उठाते हैं और जनता की उस से क्षति होती है। इस लिये आप को समय समय पर इस की जांच करते रहना चाहिये कि कौन कौन सी इन्डस्ट्रीज को प्रोटेक्शन (संरक्षण) की आवश्यकता है। अगर आप इस की जांच करते रहेंगे तो आप यकीन मानिये कि आपकी कर-नीति और ड्यूटी लाभप्रद होंगी और जनता का भी उससे फायदा होगा। आज कल उस का दुरुपयोग यह हो रहा है कि केवल निर्माता लोग उस का लाभ उठाते हैं और जनता को कठिनाई का सामना करना पड़ता है।

एक और बात जो आप के ध्यान में लाने की है वह यह कि डिवेलपमेंट (विकास) के सम्बन्ध में मैंने अभी एक विधेयक प्रस्तुत किया है। मेरा कहना यह है कि राष्ट्र का काम इतना महत्वपूर्ण है कि उस में देश के प्रत्येक निवासी का सहयोग होना चाहिये। वह लोग सहयोग देने के लिये तैयार भी हैं, लेकिन सरकार की ओर से भी कोई इशारा होना चाहिये। मैं ने यह प्रस्ताव किया है कि प्रत्येक आदमी को हर महीने कम से कम एक दिन राष्ट्रीय कार्यों में भाग लेना चाहिये, और यदि वह नहीं ले सकता तो शारीरिक कष्ट के कारण अथवा अपनी शान में आ कर के तो वह तीन रु० रोज दें दें। उन तीन रुपयों से हम दूसरे आदमी से काम ले लेंगे। इस तरह से हर साल मैं कम से कम बारह दिन का मुक्त श्रम या प्रति आदमी के

हिसाब से ३६ रु० आप को मिल सकेंगे। या तो वह काम करेगा या रुपया देगा जिस से आप की आमदनी इस बजट के अन्दर ३५ करोड़ के करीब और बढ़ जायेगी। ३५ करोड़ प्रति वर्ष के हिसाब से अगर आप जोड़ दीजिये तो पांच साल में आप के पास कितना रुपया आ जाता है। इस तरह से जनता का सहयोग भी मिलेगा और आमदनी का साधन भी हो जायेगा। मैं ने इस तरह का एक विधेयक संसद् में प्रस्तुत किया है। यदि आप उस को मंजूर कर लेंगे तो उस से बड़ा लाभ होगा। मेरे उस विधेयक का सब जगह स्वागत हो रहा है और सदन के सदस्यों से तथा वित्त मंत्री महोदय से मेरी प्रार्थना है कि वे उस को अवश्य स्वीकार करें।

**कुछ माननीय सदस्य :** उस को यह सभा पास करेगी।

**श्री एस० एल० द्विवेदी :** लेकिन यदि वित्त मंत्री महोदय और हमारी सरकार का सहयोग न मिला तो वह विधेयक एक तरफ रक्खा रह जायेगा।

तो इन बातों की ओर मैं आपका ध्यान आकर्षित करना चाहता हूँ। आप का बजट बहुत अच्छा है। पंचवर्षीय योजना को आप पूरा करना चाहते हैं, इस बारे में भी आप का बजट बहुत अच्छा है, लेकिन जहाँ तक साधारण जनता का प्रश्न है उन को ज्यादा टैक्स करने की बात आप न सोचें। हालांकि यह टैक्स अभी सिर्फ़ अमीरों पर आया है, लेकिन उस का प्रभाव दूसरे लोगों पर भी पड़ता है और वह आखिर गरीब के पास से ही आता है। आज साधारण व्यक्ति के पास आपकी आमदनी के साधन बढ़ाने हैं। साधारण व्यक्ति के पास कोई आमदनी का साधन नहीं है। उसके पास करने के लिए कोई धंदा नहीं है। जब उसके पास कोई धंदा नहीं है तो वह आपको टैक्स भी नहीं देता है। अगर आप उसको करने के लिए काम देंगे तो एक तो उसकी आमदनी बढ़ेगी और दूसरे में आपको यकीन दिलाता हूँ कि वह खुशी खुशी आपको टैक्स भी देगा। आज जो पूँजीपति हैं वे दो दो और तीन तीन बहियाँ रख लेते हैं जिनमें वे गलत हिसाब किताब रखते हैं और आपको टैक्स भ्रदा नहीं करते हैं। लेकिन किसान ऐसा नहीं करेगा। वह खुले दिल से आपको टैक्स भ्रदा करने के लिए तैयार है। अगर इस तरह से आपको एक एक रुपया एक आमदनी से मिले तो आपके पास एक दिन में ३६ करोड़ रुपये आ जायेंगे।

इस लिए मैं चाहता हूँ कि आप अपना दृष्टि-

कोण बदलें। आप पूँजीपतियों को प्रोत्साहन देने के बजाये जन साधारण के लिए आमदनी के जरिये पैदा करें और उसके आमदनी के जरिये बढ़ायें। अगर आपने इस किस्म का दृष्टिकोण अपनाया तो यकीन मानिये कि जो आपकी योजना है वह भी सफल होगी और आप सच्चे मानों में समाजवादी ढाँचे की ओर भी बढ़ेंगे।

**Shri Thimmaiah (Kolar-Reserved-Sch. Castes) :** Mr. Chairman, I rise to welcome the budget presented by the hon. Minister. The budget proposals are made on the eve of the Second Five Year Plan. The taxation proposals are very modest for the people. In view of the Second Five Year Plan, the people expected a heavy burden of taxation. But the Finance Minister was very kind to have modest proposals of taxation. These taxation proposals are only meant to meet the current expenditure and not to exploit the rich people. These proposals also do not act as a disincentive for saving or a check on essential consumption. On the whole the budget proposals are welcomed by the country, and particularly by the businessmen who are not very much worried about these taxation proposals.

In this connection I want to point out one proposal which hits the common man directly and that is the levy of excise duty on the cotton fabrics and soap. I hope the Finance Minister will reconsider this particular proposal as far as it affects the interests of the common man.

Under the first Five Year Plan we have sufficiently increased the national income. The national income has been raised by 18 per cent. A major portion of this income has been contributed by the agricultural sector, which is the backbone of our country. Today when we frame the budget and when we think of the proposals under Second Five Year Plan we must also think of the interests of the common man and the agriculturist who contributed a major portion of our national income. Under the First Five Year Plan there is rise in industrial production and in agricultural production. We have to see how far with this increased production the agricultural labourer has progressed economically and how far his standard of life has been raised. Today we see that the common man in the villages is as he was before. That is my humble opinion because whatever proposals we have for their improvement, whatever schemes we have

[Shri Thimmaiah]

for their improvement, the schemes benefit only the upper class but not the poor classes. In the First Five Year Plan and even before the First Five Year Plan, that is, when we got Independence, we told the people that we will introduce land reforms and we will introduce minimum wages for the agricultural labourer. We have given all sorts of promises. Now what is happening in the villages? There are many landless people in the villages and there is a lot of people who are unemployed in the villages and they are expecting something at the hands of the Government and they are also eager that their condition should be improved by these various schemes that have been taken up. When I say land reforms are not introduced I mean that the land reforms are not completed in any of the States in our country. There are certain States where land legislation has been introduced but that land legislation only relates to determination of the rights between the tenants and the owners and there is no transfer of right of ownership to the tenants. In many cases we have seen that tenants are evicted from the lands and the land owners are teasing them. Their conditions is very pitiable. Similar is the case with the agricultural labourers. We have passed the Minimum Wages Act. It has been implemented in some States. It has not been implemented in some other States. And the Planning Commission itself have in their Second Plan Draft admitted that they have not done much for the agricultural labourer and that they have not done much in the direction of land reforms. It is high time that we introduce some land reforms in the country for the common man must have something to depend upon for his living. I appeal to the Government that in every State, as early as possible, the land reform should come into existence and the tiller of the soil should become the owner of the land.

There is a lot of cultivable waste land in the different States. The Government can lay down the procedure for the distribution of land to the landless people and they can also, if possible, instruct the State Governments to form a sort of agency to distribute those lands to landless people and to make credit facilities available to the common man and to the small ryots. I hope the credit system that is going to be introduced in this country will benefit the small peasants and the landless people in our country. I am also glad that the recommendations of the

Credit Survey Committee have been accepted by the Government and they are in the process of being implemented. I hope, in the long run, this landless agricultural labour will have the full benefit of the schemes in the Second Five Year Plan that is before us.

Next I come to the plight of the Scheduled Castes and Scheduled Tribes people. No doubt the Government have sanctioned money for the amelioration of the Scheduled Caste and Scheduled Tribe people and no doubt the economic condition of the country has progressed to some extent. But I have to tell you with great sorrow and regret that the economic condition of the Scheduled Castes and Scheduled Tribes people has not kept pace with the economic progress of the nation and they have not benefited as much by the First Five Year Plan as they were expected to benefit. I am frankly saying this because there is no necessity of feeling complacent about it. Therefore, I request the Government that a committee of Parliament should be constituted to examine how far the various schemes under the First Five Year Plan have improved the economic condition of the Scheduled Castes and Scheduled Tribes people. Really if they take the trouble of appointing a committee and if that committee takes the trouble of examining how far the economic condition of these people has improved under the First Five Year Plan, I am sure they will understand that the improvement was not so much as it was expected. This I am saying so that Government may take special and more interest in the future to improve the economic condition of the Scheduled Castes and Scheduled Tribes people. Today there are various schemes in the Second Five Year Plan. I request the Government to analyse how many schemes will directly and how many schemes will indirectly help the Scheduled Castes and Scheduled Tribes people. Today a lot of money is spent on the development of cottage industries. If you go to the villages and see how the cottage industries are being developed you will find that the upper classes will be benefited and the landless man, the man who is called have-not, will not get anything. The rules governing the advance of loans for the development of Cottage Industries are so strict that the common man does not get anything. I suggest that the rules about giving loans for the development of Cottage Industries must be liberalised, so that the benefit of the scheme may go directly to the common man. It should start with the common



man and end with the upper man, if at all you want to improve the economic condition of the people.

Of all the people of our country, the Scheduled Castes people particularly depend on land. When the land reforms are introduced, they would be benefited to some extent at least. But the land by itself cannot solve the unemployment problem among the poorer section of our people, because land does not grow with the growth of the population. Therefore, unless there is a net work of cottage industries spread throughout the rural areas of our country, the unemployment prevailing among the rural folk can never be solved, and full opportunities of employment cannot be provided to the rural masses.

Another aspect of the Second Five Year Plan is that Government have provided about Rs. 120 crores for housing. It is a matter of common knowledge that about 82 per cent. of our people live in rural areas, and the amount provided for their housing is Rs. 5 crores. It is this 82 per cent. of the population which contributes the major portion of the national income and yet they have to continue to live in thatched houses, whereas people who already enjoy all the income will continue to live in palatial houses. It is very unfortunate that our Finance Minister should have earmarked only Rs. 5 crores for rural housing.

**Shri C. D. Deshmukh:** The Planning Commission.

**Shri Thimmaiah :** I shall say Planning Commission.

In this connection I may point out that there are various Ministries which are spending money on housing; there is the industrial housing scheme, there is the low-income group housing scheme. Therefore, I would request the Finance Minister as well as the Planning Commission to see that a proportionate decrease is made under other items and a correspondingly proportionate increase made, as far as rural housing is concerned. In that case the poor man in the village will have a house to live and feel satisfied with it, though he may not have any other means of satisfaction. That is my request to the Government and to the Planning Commission.

Another point I wish to stress is that among the Scheduled Castes people there are a large number of educated and uneducated youths. The cottage industries training centres and the big industries that Government is going to establish throughout the country should benefit the Scheduled class people? Whenever a

training centre is opened, whenever an industry is started, I would request Government, to take particular care to see that the Scheduled Castes people are trained in that industry. It may perhaps be argued that the Scheduled Caste Youth are unskilled and how are we to give them employment. Therefore, whenever Government think of establishing an industry, I would request the hon. Minister and the Government to see that the Scheduled Castes people are trained in that industry, so that they may be absorbed in the same industry. With this end in view I would ask Government to allot certain amounts each year to give industrial training to the Scheduled Castes people in the Second Five Year Plan. This will to some extent solve the unemployment among the Scheduled Castes youths and also improve their economic condition.

I have not much to complain against the educational advancement of the Scheduled Castes people. But I have to observe one thing. Government has given sufficient amount for the scholarships to students of the Scheduled Castes and the tribal and other backward classes. But last year the expenditure rose from Rs. 1:30 crores to Rs. 1½ crores. In the Budget of this year, we find that the amount allotted under this head Rs. 1½ crores. This amount I consider to be inadequate, as last year with a provision of Rs. 1½ crores, about 9,000 backward class students had to go without scholarships. In the light of that, I request the Finance Minister to see that some more money is allotted in Budget, and to raise it to at least Rs. 2 crores. I am sure he will consider this suggestion seriously.

Lastly, Sir, I come to defence. Though, I do not claim to be an expert on this subject, it struck me that the amount allotted for defence is quite inadequate and Government should raise this amount. In view of the prevailing circumstances in the world of today, it is highly essential that our security arrangements are placed on a proper footing, so that we may be strong enough to defend ourselves in case of an emergency.

**Shri U. M. Trivedi (Chittor):** Mr. Chairman, Sir, we have a big budget, big in the sense that we have a very large amount to spend and a large amount also to earn. One very striking feature of our Budget is this. I was just looking at the data prepared by the United States of America on our budgets for the last two years. I find that we are

[Shri U. M. Trivedi] actually spending only 1 per cent. of our total income on social services, whereas other very minor countries are spending as much as 5, 6 or even 10 per cent. We are trying to reduce our expenditure.

**Shri C. D. Deshmukh:** Central and States together !

**Shri U. M. Trivedi:** I am talking of the Centre: I do not know about the State budgets.

**Mr. Chairman:** The Finance Minister wants to enquire whether he is comparing with some minor States.

**Shri U. M. Trivedi:** I am referring to countries other than India.

**Shri C. D. Deshmukh:** The point is . . .

**Shri U. M. Trivedi:** I have followed him, Sir.

We have tried to bring down our defence expenditure when our neighbour and our great brother, younger brother, Pakistan, is increasing its defence expenditure. I do not think that we are living like the proverbial tortoise that we want to put our head under a shell and ignore all the things that are going on across the border. Our defence services are not well equipped and God alone knows if an emergency were to arise for a show of strength on our part, we may not be bogged down in the same manner in which some of our instruments got bogged down very recently. We must be very alert about it and if some more expenditure is necessary, we shall not hesitate. Let us not repeat that great mistake which Egypt committed in believing certain contractors who supplied certain war materials to them. We are trying our best to proceed according to plan. Planning has become a bogey with us. I do not know whether any planning other than the greatest good of the greatest number of our countrymen is aimed at. If it is that we put down on plan that we are going to proceed according to plan, and then do things in a haphazard manner somehow or other to reach that target, that is not correct. That should not be the way of achieving greatness. When the hon. Member, Shri Dwivedi was speaking before me and when he said that we can become one of the greatest countries in the world, I seconded that thought. I also believe, and very firmly believe that if we proceed rightly, with some imagination, there is no one to stop us from becoming the greatest country in the world.

But are we proceeding according to that, or are we merely copying some professorial, academical things which are placed before us? Some learned gentlemen amongst us here, sitting on the opposition benches we were giving that "Professor Bogus", said this and "Professor Humbug" said that. But that is not going to serve us at all in what we want to achieve. The very concrete way suggested by the hon. Member Shri Patil deserves consideration at the hands of the Government.

The present Government has developed a feeling—and I don't know why—that any one in the Opposition, if he is not a white-capper, is not worthy of being treated with respect. And that is why with all the tom-tomming that is going on for the National Savings Schemes, no co-operation from Members of the Opposition is accepted. On the contrary they are run down. Even in the matter of appointment of agents for helping the National Savings Scheme, any Tom, Dick and Harry holding himself out as a Congressman is appointed; and however high another gentleman might be, if he does not belong to the Congress Party, his efforts are stifled. This sort of attitude is not going to help the country. It is the desire of everyone of us to help—who believe that this is our country and the country does not belong to anybody else and we are not going to become the slaves of any other country. We had had enough of this slavery under the British; We believe in the greatness of our country and the future greatness of ours. The Government will therefore do well to discard its inimical attitude towards all those who may not belong to the Congress Party. The progress of this country is equally at the heart of those who do not belong to the Congress Party but belong to other parties and who are Indians first and last.

Very recently we were very much annoyed when Mr. Dulles, Secretary of States of the United States of America, made a statement about Goa being a province of Portugal. But we paid no heed when a regular propaganda was being carried on by Americans in their encyclopaedias showing that Goa was Portuguese territory and was a separate country, and even in the data furnished to the South-East Asian countries Goa is described as a different country. And in the encyclopaedia which is being kept in our Library, even our territory about which we raised a hullabaloo here recently when the Pakistan army invaded

it and occupied it—I am talking of the Chhad-Bet—even that Chhad-Bet is described in that American encyclopaedia as a territory belonging to Pakistan. And we have kept quiet about it.

Pakistan has been raiding our territory over and over again, and we are continuing to act as the big brother. About a year and a half back when this question of rehabilitation of our people was being discussed in this House, I felt that it was high time that we raised our voice to demand that something must be done about the rehabilitation of those Bengali Hindus who are being pushed out from East Pakistan and that some territory must be demanded from Pakistan for the rehabilitation of these people. We are now told that about 20 lakhs of people have been pushed out from East Pakistan in West Bengal.

**Shri N. C. Chatterjee (Hooghly):** Not twenty lakhs but double that number, forty lakhs.

**Shri U. M. Trivedi:** I accept the correction. If it is forty lakhs it is very bad. What arrangement are we capable of making? Are we going to sit with folded hands and have this history repeated for us,—after having experience in what manner the Muslims who at any time invaded India behaved towards us about keeping all their words? I say we may have good Muslims here in our country who might be very honest, who may remain honest, who will be good citizens of our country. I am not talking of those Muslims, but I am talking of those who do not think in terms of Indians, those who have become Pakistanis—and Pakistanis overnight, on the 14th August 1947 Indians, on the 15th August 1947 Pakistanis. With that same mentality still overflowing them, poets, Generals, pensioners, I.C.S. officers, district magistrates, all sorts of Muhammadan officers get away from India, run across the border, call themselves Pakistanis; and we, endowed with all our theories of panch shila, keep quiet here and tolerate every thing that is being done across the border to our detriment.

Is it not enough for us and is it not time that we should cry a halt? Should it lie only in the mouth of a foreigner, a big dignitary like Marshal Bulganin and Mr. Khrushchev to tell us or the world that no plebiscite in Kashmir is necessary? Will it not lie in our mouth? Is it not within our powers to say "So far and no further no plebiscite for

Kashmir"? What is this plebiscite business? Are we going to decide about every small pocket, every village in this way? In some villages, 50 per cent or 60 per cent or 80 per cent of the people may be Mohammedans. Even today, in Bihar there are places where 70, 80 and 90 per cent are Mohammedans. Are we going to allow them to determine for themselves and walk over to Pakistan or be annexed to Pakistan? The annexation of Baroda, the annexation of Hyderabad, Udaipur, Jaipur and other big territories in India, this merger or union with India took place not by the wish of the people, but by the wish of the rulers who were in the same category as the rulers of Kashmir. He has decided to accede to us. We were very considerate. We said, all right, we will give an opportunity to the people to decide. The Constituent Assembly of the State has decided that they will join India. What prevents us now from closing this chapter? We handicapped in our methods of taxation, in our methods of development, by keeping this bogey open. We are not able to rehabilitate our own people because we are still treating Kashmir as a territory foreign to us. We do not allow our people to go in any number to Kashmir. Lakhs and lakhs of people coming from the North West Frontier, Hindus who have migrated, who have no place even in the Punjab, could have easily settled down in Kashmir. But, we have not been able to do that. We still think that we are not certain about it. Should we not, with a firm mind come to a decision on this Kashmir issue and close this chapter once for all? The issue, if at all, was between Kashmir and us. We gave a promise to Kashmir, and not to anybody in the world. We are prepared to keep the promise to Kashmir. We have kept that promise. Kashmir wants to be with us. Kashmir has decided to be with us. Who is this U.N.O. to decide for us? We have not gone to the U.N.O. Nor do we want the U.N.O. to decide any question for us. We have kept our promise. We do not want to take orders from others. I hope we will now open our eyes to this question.

We are talking of a socialistic pattern of society which we try to develop in our country. Sometime back, when this question of social security was being discussed on some of these Hindu Code Bills, some so-called small provisions of the Hindu Code, I was firmly of the opinion, and I expressed that opinion vehemently, that if there is any system in the world today which ever at any time

[Shri U. M. Trivedi]

provided for social security, it was joint Hindu family system. It then appeared to me that mine was perhaps a lonely voice. Only about a week back, I was happy to read a speech delivered by Shri C. Rajagopalachari, one of the great statesmen of our country saying in no uncertain language that the best social security was the one security with was obtainable under the joint Hindu family system.

**Shrimati A. Kale (Nagpur):** How does this subject come under Budget ?

**An Hon. Member:** All national questions come.

**Mr. Chairman:** Members should not decide among themselves. They can leave it to me.

**Shri U. M. Trivedi:** When we are thinking of developing a social pattern, I think our Government will also do well to look into this aspect and have a fresh angle of vision and not run away with the idea of destroying the joint Hindu family system and bringing about a system of life which, to any sane Indian or a sane Hindu, would be a misery to the poor old people. Those of us who have had the fortune or the misfortune of ever going to England . . . . .

**Mr. Chairman:** The hon. Member's time is up.

**Shri U. M. Trivedi:** I shall take only five minutes. I have seen these poor old-age pensioners, old ladies who are kept in small holes, small tenements, who cannot go upstairs, who cannot get down, with nobody to look after them except the nurses and midwives. What is their life ? No children about them; no pleasure about them. Everybody goes and looks at them and pities them. They are being looked upon as some sort of animals kept in a zoological garden. Do we want to reduce our society to that state and to that type of life ? I would say that before we proceed to a legislation of that type, we should cry halt to this. I have taken some time on this.

I wish to say a word about nationalisation. I for one quite like the idea of taking insurance into Government's hands. Why I like is this. To me it appeared that all these canvassers, who were going about on business were more or less parasites. They were people who were always hankering after money, who were after the moneys of the poor insured, who trapped, him, promised him something and put his money there, and then went on fattening at the cost of that

poor man. To that extent, Government has done well. But, the question is whether we should not think in some higher plane, than this mere feeling of reaction. Are we proceeding with this nationalisation with the one and only object in view that the only employer in our country should be the Government and that there should be nobody employed privately, or there should be no private employment left ? Is it the desire, as has been said by my friends sitting on my right that we should have only one party system ? Is it with that desire in view that we are moving to destroy all such fields of employment from where intelligent people can come into political life ? Political parties are formed from such strata. We are closing down that strata. The Imperial Bank with all its branches has been taken up. Some of my friends are talking of the nationalisation of the whole of the banking business. Insurance has been nationalised, Railways are already nationalised. They are not privately owned. Shipping is to be nationalised. Complete nationalisation, if it takes place, the intelligent people will all become government servants. Political parties which can draw on the raw material from such sources will be handicapped.

**Shri Shree Narayan Das:** Servants of society, not of Government.

**Shri U. M. Trivedi:** We are all servants of society.

**Mr. Chairman:** The hon. Member, I think, should exercise greater self-discipline. He laid down his own limits. He cannot exceed them.

**Shri U. M. Trivedi :** Just a minute. In reply to my hon. friend Shri Shree Narayan Das's question, now that he has raised it, what I say is this. In the Nationalisation of Insurance Emergency scheme, you have provided that any Member of Parliament will not, by virtue of his being an office bearer in this nationalised insurance business, incur any disqualification in the matter of becoming a Member here. In other words, you are admitting that an office bearer is a man who holds an office of profit. Is it your desire that all of us should become office bearers ?

**Pandit Thakur Das Bhargava :** This is only a temporary thing.

**Mr. Chairman:** Whatever it is, the hon. Member must now close.

**Shri Nageswar Prasad Sinha** (Hazari-bagh East): The Finance Minister has been lavishly congratulated from various quarters except from some which perhaps except that everything we do is bad. If congratulations means no load for the Finance Minister either mental or physical, I also request him to accept my congratulations. I welcome the budget and the budgetary proposals. It has become difficult for us to see or to examine this budget without keeping in the background the Second Five Year Plan that is now almost on us. The two things are so inter-twined that they have become almost inseparable, and we have to see this budget not only as an independent budget of an independent country, but also as a planned budget of a planned country. We know, there is no purpose without a plan, neither is there a plan without a purpose, but we can today boast that we have got both the purpose and the plan. We have a certain ideal, the ideal of a socialist pattern of society, and we have set our goal; we have laid our plan. We have to see the budget in the context of the whole thing, and I say with all the emphasis at my command that just as the Plan is bold and ambitious, the budget is also equally bold and ambitious. Naturally some risks might attach to such bold and ambitious budgets, but we know also that in the present structure there were no alternatives, and the Finance Minister has done what he could keeping in mind the entire situation of the country, political and economic.

5 P.M.

It is true that before this budget came in we saw something in operation about the socialist pattern of society. We have seen the nationalisation of insurance. We have seen the nationalisation of the Imperial Bank. I believe very soon we are going to nationalise the minerals, especially the coal industry. Many vexatious problems including food and cloth have been solved and many difficulties have also been removed. So far about the operative principles that preceded the formulation of this budget.

We know there has been criticism from different quarters that a great deal of risk attaches to deficit financing. The Finance Minister himself was fully conscious of it. He is conscious of it even now also. Last year in his budget speech he had told us:

"The House may rest assured that the situation will be watched constantly and carefully and while the

Government will take the risk necessarily attaching to any significant development effort, it will be a calculated risk combined with caution".

We are sure that he has combined caution with all the attendant risks that were there. The heavens have not fallen. Last year's budget also was a deficit budget. The heavens have not fallen and we see that he has been piloting the economy of the country satisfactorily well. So, we have nothing to fear about the present deficit budget also.

We have heard one or two stirring speeches, a speech from Shri S. K. Patil here and a speech from Shri Asoka Mehta there, doubting the wisdom of the Finance Minister. Of course, I cannot joint hands with them. I am not one of those who can be placed in the category of pessimists. But there are some doubts, some legitimate doubts, which we would like should be cleared when the Finance Minister makes his speech later on.

We have studied the Taxation Enquiry Commission's Report. We have studied other relevant reports on the point. We found at one place in the Taxation Enquiry Commission's Report a statement that there is a growth of non-developmental expenditure. While discussing the trends of the public expenditure, the Commission has laid special stress on it and underlined the necessity of restraint on this expenditure, and of proper checks to see that such expenditure does not maintain the rising trend. We have been told in that Report.

"A feature of the increase in the public expenditure is the increase in non-developmental expenditure which has taken place both at the Centre and in the States".

It gives an analysis, which all of us must have seen, showing how a rupee of the total revenue expenditure of all Governments in India was spent in 1953-54, which is as under:

Non-developmental	0-9-6
Social Services	0-3-2
Economic development	0-3-4

And that constitutes a rupee. We know the Finance Minister is up and doing and he has been trying to rehabilitate our economy, but what are the reasonable limits of deficit financing, we would like to ask without raising inflationary trends; without loosening the tracks of extravagance and wastage? These are two pertinent questions that

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we would like to ask him, because we see from the Taxation Enquiry Commission's Report that non-development expenditure is increasing. And in view of the fact that Rs. 4,800 crores are going to be spent over the next five years, the Finance Minister himself has doubted and has said in his speech:

"This very tempo of rising expenditure during the next five years would open up many possibilities of extravagance and waste, and it is necessary to keep a still closer watch over such expenditure to ensure that the tax-payer gets the maximum benefit out of the planned outlay".

He is conscious of it. Thereafter we hear that there are economy units, there are organisation and methods divisions, there will be teams of officials and non-officials, there will be investigating committees, high-power committees are also in the offing. Most of them have been there. But is that not a vicious circle, I would like to ask. Increasing staff to check the surplus staff, increasing expenses to check superfluous expenses,—I do not know how far they are reconcilable, but this is a doubt that arises in my mind and I hope I would be disillusioned on this point.

Efficiency, of course, so far as the administrative machinery is concerned, is at a discount, and the latest proof of it was the leakage of the budget. I doubt whether the Finance Minister, with all his wisdom and clarity of thinking, will be able to keep the flood-gates of inflationary pressures closed with all the material that he has got before him. I would, therefore, ask him how far we can actually go and see that this deficit financing will not lead us to a place where we will see only extravagance and wastage? When shall we see also that the last pie of the tax-payer is effectively utilised for national development purposes?

Secondly, I would say, and I have already said in the beginning that it is difficult to take a view of the budget without thinking of the Second Plan, and the Second Plan lays special emphasis on rapid industrialisation of the country. The budget proposals also lay stress on it. Many new industrial units are now going to be set up. At the risk of some digression here, I would like to state something which I should not of course have otherwise stated.

I come from a State which is deficit on many fronts namely the State of Bihar.

श्री भागवत राजाद (पनिया संथाल परगना)  
आप का कौन फिस्टिकट है।

Shri Nageswar Prasad Sinha : I shall tell you my district presently. I come from the region of Chota Nagpur which has a very backward economy. It would not be out of place to talk a little about the affairs of this State. There is a talk of merger also, which I welcome of course, as that will help our economy to grow. But I shall have opportunities to discuss this point later on. I revert to the point of industrialisation.

At page 8 in para 16 of his speech, the Finance Minister has stated:

"Among the more important new projects that will be taken up during the coming year is the setting up of a Heavy Electrical Equipment Factory in the public sector for the manufacture of electric generators, transformers, switch-gears, turbines for river valley projects . . .".

We know that the Government of India have entered into an agreement with Messrs. Associated Electrical Industries Ltd. of U.K. But we do not know whether the site for the location of the factory has been selected or not. But may I urge that Chota Nagpur in Bihar has the best claim for it? An investigation into the question of sites has already been made by the consultants, and if I am not wrong, they have shown their first preference for Chota Nagpur, because all the raw material required for insulating purposes, like mica, shellac, asbestos, porcelain, including of course coal in any quantity, electricity from DVC etc. are available at site. Large areas of open land geologically suited for heavy factories are available at cheap rates. Greater facilities for food and civil supplies for the township that will grow are also available. Roads and communications are already developed. And the climatic conditions are also enviable.

I would like to suggest that two principles should be kept in mind while deciding the site. The first is removing the backwardness of an area or a region, so that it might have a full play in the equality of opportunity that has been bestowed on our people by our Constitution. The second is economies in cost of installation and the production cost of the materials.

The Planning Commission in their draft report, at page 111 say :

"The achieving of a balanced economy for the country as a whole and for its different regions calls for a carefully considered policy for the location of new industrial units, irrespective of whether they are established through the public sector or the private sector."

I invite the attention of the Finance Minister to this observation of the Planning Commission, or I should say, to this principle enunciated by the Planning Commission, which has been accepted thoroughly and I would request him to examine the case of Bihar for the location of this heavy electrical equipment plant and try to help them areas which are still backward. In the race for progress, it should never be considered as "parochialism" if it is said that it should be located here or that something should be done there. It will be the duty of the Finance Minister to see that all units and all cells in the Union are properly geared up and activated, and that the finances of different States are equally balanced; and if there is anything lacking anywhere, he should see that it is equally balanced.

[MR. SPEAKER in the Chair]

My hon. friend Shri Bhagwat Jha Azad had asked from which district I come. I should like to tell him that the consultants have said that the sites in close proximity to the major ports of India have to receive serious consideration, but apart from that it is possible that the location of the factory on the Hazaribagh plateau may have advantages both from the point of transportation facilities and also from that of plant. This is the district from which I come. And I have a special claim to make for this district, although I claim generally for the whole of Bihar.

The Bihar Government have already submitted a memorandum on this point, and I think they have made out a cast iron case for this. There might be other memoranda from other States also on this point. But I request that there should be a committee of experts to go through all the memoranda and to decide the matter just like a tribunal and come to a conclusion without taking any extraneous circumstances into consideration.

On the whole, I wish the Finance Minister all good luck. I wish the leadership all good luck, and we hope that the Minister will be able to remove all the fears and apprehensions that we have.

श्री बी० जी० देशपांडे (गुना) : अध्यक्ष महोदय, अर्थमंत्री जी ने जो अर्थ संकल्प सदन के सम्मुख रखा है उसमें जो संस्थाएँ और अंक आये हैं वह किसी ज्योतिषशास्त्र विषयक ग्रंथ में शोभा देने योग्य होने के कारण और देशमें द्वितीय पंचवर्षीय योजना के पीछे आने वाली बड़ी बड़ी भव्य योजनाओं को देखकर मैं प्रभावित हुआ हूँ यह मैं मान्य करता हूँ। परन्तु इस प्रभाव के साथ ही साथ मैं यह भी कहना चाहता हूँ कि जो हमारे अर्थमंत्री जी आर्थिक सुव्यवस्था और आर्थिक प्रगति का जमुना जल भारत भर में पहुंचा ने का प्रयत्न कर रहे हैं उसके साथ वे इस तरफ ध्यान नहीं दे रहे कि इसमें किस प्रकार भ्रष्टाचार और कार्य प्रक्षमता का नजफगढ़ का बड़ा भारी नाला वेग से आकर मिल रहा है, जिस तरह से कि सेक्रेटरी इंजिनियर ने दिल्ली में दिये जाने वाले पानी की तरफ ध्यान नहीं दिया था। जिस समय हमारे अर्थमंत्री जी का यह भाषण हो रहा था उस समय बम्बई के बाजारों में बजट की गुप्त चीजें बेची जा रही थीं। एक बजे बम्बई के मुख्यमंत्री श्री मुरारजी देसाई के सामने यह बात आ गयी थी, लेकिन उनके मन में यह बात नहीं आयी कि इसके लिये टेलीफोन करना चाहिए। और इस प्रकार की भ्रष्टाचार की कार्य प्रक्षमता की और कार्य न करने की अनेकों बातें हो रही हैं, जिनके कारण हमारा करोड़ों रुपया खर्च हो रहा है। हम चाहे चार हजार करोड़ या पांच हजार करोड़ या कितना ही रुपया खर्च क्यों न करें, लेकिन जो हमारे कार्य करने की मशीनरी (कार्यप्रणाली) है उस पर ध्यान न देने के कारण यह नहीं कहा जा सकता कि इसका देश को लाभ होगा या नहीं।

एक तरफ हम देखते हैं कि हमारे अर्थमंत्री जी ने देश में समाजवादी समाज व्यवस्था लाने की दिशा में एक बड़ा कदम उठाया है अर्थात् उन्होंने जीवन बीमा व्यवसाय का राष्ट्रीयकरण किया है। उससे मैं बहुत प्रभावित हुआ। लेकिन उसी के साथ ही जिस दूसरी बातसे मैं प्रभावित हुआ वह यह है कि चुनाव के संघर्षकाल में जो अर्थ संकल्प सदन के सामने रखा गया है उसमें कोई बड़ा कर नहीं दिखायी देता जिसके कारण पूँजीपति प्रसन्न हैं। बात ठीक है क्यों कि चुनाव के समय में उनसे चन्दा लेना है। इसलिये इस समय उनसे कम पैसा लिया है। लेकिन मध्यम और निम्न वर्ग के लोगों के सिर पर अपने टैक्स लगाया है।



[श्री वी० जी० देशपांडे]

इसके अतिरिक्त भी, जैसा कि मैंने पहले भी कहा था, अर्थ मंत्री के पास एक नया जादू भी है। वह है डेफिसिट फाइनेंसिंग (घाटे की अर्थ व्यवस्था) का। यह कैसे किया जाता है यह तो हमारे समझ में नहीं आता। हमारे अशोक मेहता जी बड़ी बड़ी किताबें लेकर आये थे और उन्होंने कहा था कि आज कल का अर्थसंकल्प संतुलित होता नहीं। मैं तो यह कहता हूँ कि यदि हमारे घरों पर भी यह नियम लागू होता तो बहुत अच्छा होता। हम चाहे जितना खर्च करते जाते पर रुपया कहीं न कहीं से आ जाता। आप जो इस प्रकार से डेफिसिट फाइनेंसिंग (घाटे की अर्थ व्यवस्था) कर रहे हैं इसका बोझा गरीब आदमी को उठाना होगा। शुरू शुरू में इससे कुछ फायदा दिखायी देता है। पिछले साल कृषि के पदार्थों की किमतें कुछ बढ़ गई। इससे थोड़ा बहुत फायदा हमको हुआ। लेकिन जब यह आगे चलता जायेगा तब यह पता नहीं है कि हमारे अर्थमंत्री महोदय इतने कार्यक्षम होते हुए भी इस पर नियंत्रण कर सकेंगे या नहीं, इसका मुझे कोई पता नहीं है और इसके कारण यह सब हज़ारों, करोड़ों रुपये खर्च करना, घाटे का अर्थ संकल्प करना और उसका परिणाम यह न बन जाये कि देश में खर्चा भी बढ़ता रहे और खर्चा बढ़ने के पश्चात् महंगाई बढ़े और महंगाई बढ़ने के कारण पूंजीपतियों पर कोई भी असर न पड़े हुए हम तो समझते रहे कि हम देश में समाजवाद ला रहे हैं और उसी के साथ साथ पूंजीपति अपना फायदा भी करते रहें, इस प्रकार की बातों में यहां पर देख रहा हूँ।

दूसरी बात यह देखता हूँ कि जैसे यहां एक सज्जन ने कहा कि हम बड़ी बड़ी बातें कर रहे हैं और हम देखते हैं कि बड़ी बड़ी बातों को करने के लिए हम बाहर से मशीनरी मंगवाते हैं जो कि आती नहीं है।

आज परराष्ट्र विषयक मामले भी ऐसे पेचीदा हो गये हैं कि किसी को पता नहीं है कि कब युद्ध छिड़ जायेगा। डलेस साहब वहां पाकिस्तान में एक बात कर गये और भारत आने पर जब वह नेहरू जी से मिले तो उन्होंने उनके साथ बड़ी मीठी मीठी बातें कीं और हमारे पत्र प्रतिनिधियों को सम्बोधित करते हुए डलेस महोदय ने कहा कि आप रोते क्यों हो। अगर आप हमारी मदद चाहेंगे तो हम आपको भी मदद देने को तैयार हैं और पाकिस्तान से भी ज्यादा मदद आपको देंगे और इससे कुछ लोगों को खुशी भी जरूर हुई होगी और बात भी ठीक है। मेरे एक

मित्र कहने लगे कि यह डलेस कैसी बात करता है, यह तो बड़ी गलती करता है, और हमको उसकी बातों में कोई बुद्धिमत्ता की बात मालूम नहीं होती। मैंने कहा कि वाकई बड़ी बुद्धिमत्ता की बात है और मुझे तो उसमें कोई अबुद्धिमत्ता की बात मालूम नहीं होती। वे कहने लगे कि पाकिस्तान और भारत को जब हम साथ मिलाते हैं तो उनको हम यह नहीं समझने देंगे कि हमारे साथ मिलने से कोई लाभ नहीं होता है। मैंने कहा कि यह समझने वाले हम अबुद्धिमान हैं। जब पाकिस्तान उधर जा रहा है तब हम यह समझ रहे हैं कि नहीं जी कोई ऐसी बात नहीं है। हमारी परराष्ट्र नीति ऐसी होनी चाहिये कि दुनिया में जो टेन्शन (अशांति) पैदा हो रहा है उसको हम थोड़ा सा भी कम कर सकें तो हमने दुनिया में बहुत काम किया। मैंने कहा कि दुनिया की चिन्ता मत करिये और इस अवसर पर मुझे उस गिरगिट की कहानी याद आ जाती है जिसने इस चिन्ता के फेर में कि चूँकि शेषनाग के मस्तक पर पृथ्वी का भार बहुत बढ़ा हुआ है उस गिरगिट ने यह सोचा कि मैं ज़मीन को खोदना शुरू करूँ और इस तरह यदि थोड़ा भी मैं शेषनाग का भार इस तरह कम कर सकूँ तो मैं समझूँगा कि मैंने बहुत बड़ा कार्य किया है। मैंने कहा कि गिरगिट को तो इस चिन्ता और फ़िक्र में पड़ने की कोई आवश्यकता नहीं है और गिरगिट को इसकी चिन्ता न कर अपना काम देखना चाहिये और इसलिये डिफेंस बजट (रक्षा आयव्ययक) के लिए जैसा कि एक माननीय सदस्य ने कहा कि उसके लिए अपर्याप्त धनराशि की व्यवस्था की गई है और वह कम है, मुझे तो चिन्ता नहीं है कि वह कम है क्योंकि हम देख रहे हैं कि सुरक्षा के लिए जो रुपये की व्यवस्था होती है उससे जैसा सुरक्षा का प्रबन्ध होना चाहिए वह नहीं होता है और पैसा ठीक तौर पर खर्च नहीं होता है और पिछले वर्ष ही हमने देखा कि सुरक्षा के हेतु हमारे वित्त मंत्री महोदय ने जो धनराशि दी थी उसमें से १७ करोड़ रुपया वह खर्च नहीं कर सके।

**एक माननीय सदस्य :** उन्होंने रुपया बचा लिया।

**श्री वी० जी० देशपांडे :** बच गया है या खर्च नहीं किया गया है यह एकोनामी (मित-व्ययता) नहीं की गई है बल्कि सच्ची बात तो यह है कि उनको जो चीजें चाहिये थीं वह नहीं मिलीं। इस साल उसमें से थोड़ा सामान आयेगा, ऐसी आशा हम कर रहे हैं। अमरीका या इंग्लैंड को आखें भी हम दिखाते हैं और उन्हीं से हम युद्ध सामग्री आदि प्राप्त करने की आशा भी



कर रहे हैं। यह जिस प्रकार से हम आर्थिक नियोजन कर रहे हैं, जिस प्रकार से परराष्ट्रीय राजनीति चला रहे हैं, जिस प्रकार से अन्तर्राष्ट्रीय राजनीति की तरफ देख रहे हैं और जिस प्रकार की कार्यक्षमता हम इस देश में एक एक चीज में देख रहे हैं, यह देखने के पश्चात् मैं यह समझता हूँ कि हमारे यहां का जो यह सारा बजट है, यह वास्तविकतावादी है, ऐसा समझने के लिए मैं तैयार नहीं हूँ। यह जो आपने सुरक्षा के लिए अतिरिक्त धन की मांग की है और उसकी व्यवस्था की है, मैं उसका विरोध नहीं करता लेकिन केवल उसके लिए पैसा बढ़ा देने से आप उसमें तरक्की करेंगे और प्रगति दिखलायेंगे, इसकी मुझे आशा नहीं है। आपकी जितनी भी योजनायें हैं उनको जब मैं देखता हूँ तो उस संस्कृत कवि की बात याद हो आती है कि कोकिल का जो बच्चा होता है वह दूसरे के घर में पाला जाता है, कोकिल का झंझा पर्व के घर में रह कर कोयल बनता है, उसी तरह हमारी बहुत सी योजनाएं ऐसी हैं जिनके लिए कि हम विदेशों की सहायता पर निर्भर करते हैं, जहाजों के लिए हम दूसरों का मुहं ताक रहे हैं और हमारी नदी घाटी योजना विदेशी सहायता पर निर्भर करती है, हम अभी तक इन चीजों में आत्म-निर्भर नहीं हो पाये हैं और हमारे देश में जहाज आदि और अन्य युद्ध सामग्री और उनके पुर्जों आदि बनने नहीं शुरू हुए हैं और इसी कारण हमारी योजनाओं की सफलता विदेशी सहायता मिलने पर निर्भर करती है।

रेल्वे के बारे में भी हम देखते हैं कि सोशल एलिवेशन (सामाजिक उद्धार) हो रहा है और क्लासलेस सोसाइटी के (वर्गविहीन समाज) के लक्ष्य की ओर हम बढ़ने का प्रयास कर रहे प्रतीत होते हैं परन्तु यह पता नहीं है कि रेलगाड़ियां जो पुरानी पड़ गई हैं वे बदली जायेंगी कि नहीं और अगर बदली जायेंगी तो कब तक बदली जायेंगी। ठंडी गाड़ियों और शोइस आदि की व्यवस्था करने की स्कीमें चल रही हैं लेकिन जो असली समस्या नई रेलगाड़ियों की है और पुराने इंजनों आदि को बदलने की है, उसके बारे में कुछ पता नहीं लगता कि क्या होगा।

हमारी जो परराष्ट्र नीति है वह वास्तविकता को दृष्टि में रख कर नहीं बर्ती जा रही है। हमारे देश में रूस के श्री बुलगानिन आये और उन्होंने हमसे कह दिया कि अगर तुम्हें हमारी मदद की जरूरत हो तो पहाड़ पर आ जाना और आवाज दे देना, हम तुम्हारी मदद को आ जायेंगे। दूसरी ओर हमारे डलेस साहब

फरमाते और दूसरे हमारे पश्चिमी मित्र कहते हैं कि भाई काश्मीर के संबंध में भारत और पाकिस्तान में झगड़ा चलते जाने से किसी का फायदा नहीं है। भारत सरकार काश्मीर में जनमत कराने के सिद्धान्त को मानती है। हम में इतनी स्पष्टता और वास्तववादिता नहीं है कि हम यह स्पष्ट घोषणा कर दें कि काश्मीर के प्रश्न को दुनिया के सम्मुख नहीं ले जायेंगे और जहां तक काश्मीर के भारत में प्रवेश का ताल्लुक है वह हमेशा के लिये खत्म हो चुका है और, काश्मीर जैसे कि हिन्दुस्तान के अन्य प्रांत है। उसी प्रकार वह भी हिन्दुस्तान का एक प्रांत है।

जहां तक गोवा का सम्बन्ध है, उसके सम्बन्ध में भी भारत सरकार ने वास्तविकता को दृष्टि में रख कर अपनी पालिसी निर्धारित नहीं की और इस विश्वास में पड़ कर कि अगर हम गोवा को भारत में मिला ने के लिये संघर्ष नहीं करेंगे तो अन्य राष्ट्र हमारी गोवा विलय की मांग का विरोध नहीं करेंगे, निष्क्रियता की नीति बर्ती है। आप लड़ाई करो या न करो, गोवा में पुलिस ऐक्शन लो या न लो लेकिन हमने देखा कि बावजूद इसके कि आप न्यूट्रैलिटी (निष्पक्षता) की पालिसी पर चलते रहे, आप अमरीका के विरोधी गुट में चले गये। आपने गोवा पर हमला नहीं किया और आप यह समझते रहे कि इसके कारण अमरीका आपके खिलाफ नहीं जायेगा लेकिन आपका ऐसा समझना गलत है। और अगर आप गोवा पर सशस्त्र हमला भी करते तो भी अमरीका का उतना ही आपके प्रतिविरोध होनेवाला था जितना कि आज है। यह ठीक है कि जहां तक हो सके भारत को किसी गुट में नहीं फसना चाहिये लेकिन मेरे विचार में आपको इस निष्पक्षता को ठीक तरह से अमल में लाना चाहिये था। लेकिन हमारे यहां कि न्यूट्रैलिटी (निष्पक्षता) ऐसी है कि हम में ताकत तो है नहीं लेकिन हर एक को आखें दिखायेंगे और दुनिया के हर एक राष्ट्र की नीति की नुक़ताचीनी करेंगे, ऐसा एक घंघा हमने अपने लिये बना लिया है और जिसका कि नतीजा यह हुआ है कि जिनसे हम भीख मांग रहे हैं, जिन से हम सामान मांग रहे हैं, उनसे हमारी बनती नहीं। हमने एक “पंचशील” का सिद्धान्त स्वीकार कर लिया है और आये दिन सारे विश्व भर में उसकी घोषणा करते फिरते हैं। मझे तो ठीक समझ में आता नहीं कि इस पंचशील से आखिर क्या मुराद है? पंचशील से जो सोलिड एंड रोक (पक्कर के समान कठोर) समझा जाता है, उसका पंचशील से कोई सम्बन्ध नहीं है।

[श्री० वी० जी० देशपांडे]

यह कोई सहप्रस्तित्व का सिद्धान्त नहीं है जिसके अनुसार हम देख रहे हैं कि गोवा में भारतीयों को कुचला जा रहा है और भारत सरकार चुपचाप देख रही है। सहप्रस्तित्व का यह तो मतलब नहीं समझा जाना चाहिये कि गोवा की स्वाधीनता के लिए संघर्ष न किया जाये और मैं समझता हूँ कि भारत सरकार को इस तरह के संघर्ष से डरना नहीं चाहिये। हम देख रहे हैं कि इसी कारण काश्मीर के विषय में हम अभी इस प्रकार की बातें कर रहे हैं कि वहाँ पर जनमत होगा और ऐसा मान कर हम काश्मीर के लोगों को दुविधा और वेकार की परेशानी में डाले हुए हैं। देश के आन्तरिक प्रश्नों के सम्बन्ध में भी हम देखते हैं कि निश्चितता का अभाव है और राज्य पुनर्गठन सम्बन्धी सवाल को लेकर हम देख रहे हैं कि सरकार एक दृढ़ता के साथ और निश्चय के साथ व्यवहार नहीं कर रही है और इस विषय में हमें देश को किस प्रकार से चलाना है उसके लिये कोई निश्चित योजना हमारे सामने मौजूद नहीं है और देखने में आया है कि जहाँ के लोगों ने उपद्रव मचाया और लड़ाई दंगा किया उनकी बात तो हम किसी कदर मान लेते हैं और उनकी मांग के औचित्य को स्वीकार कर लेते हैं लेकिन जो लोग लाठी डंडे से नहीं लड़ते और जो अपनी मांग वैधानिक तरीके से असेम्बली और पार्लियामेंट में उठाते हैं, तो कहा जाता है कि उनकी मांग के पीछे जनशक्ति का अभाव है। प्रेसीडेंट का भाषण जो यहाँ पर हुआ, उसके सम्बन्ध में जब मैंने पंडित जी को बतलाया कि मध्य भारत की असेम्बली में लोगों ने उसका विरोध किया तो वे कहने लगे कि विरोध तो किया लेकिन उन्होंने रास्तेपर आकर फाइट नहीं की। They have not come on streets to fight अगर कोई लिखित दावा देता है कि उनका विरोध है तो उस को कोई मानने के लिये तैयार नहीं है। और वास्तविकता से भागने के लिये एक नई कल्पना सरकार के मन में आई है, एक नया नुस्खा उन के मन में आ गया है कि दो भाषाओं का प्रान्त बना दिया जाये तो देश के अन्दर एक राष्ट्र पैदा हो जायेगा। इस कारण किसी प्रान्त की अगर कोई आपत्ति आई तो उसका मुकाबला करने के स्थान पर सोचने लगे कि भाग कर दूसरे रास्ते से जायें तो ठीक होगा। इस तरह की एस्कैपिस्ट मेन्टैलिटी (बचने की प्रवृत्ति) के कारण देशके आन्तरिक प्रश्नों की भी तरफ जिस प्रकार से देखना चाहिये उस प्रकार से वह नहीं देख रहे हैं और देशका हजारों करोड़

रफ़ा खर्च कर रहे हैं। देश की कार्यक्षमता तथा भ्रष्टाचार के विषय में मैं बहुत ज्यादा बोलना नहीं चाहता। कुछ ऐसी बातें हैं जिन के ऊपर एक पूरा व्याख्यान हो सकता है। पंचवर्षीय योजना को देखिये, कम्प्यूटिड प्रोजेक्ट (सामुदायिक परियोजना) के विषय में देख लीजिये, डेवलपमेंट (विकास) के विषय में या जिस प्रकार से योजनायें चल रही हैं, उन को देख लीजिये। मैं तो समझता हूँ कि इस योजना के खर्च का बड़ा भारी हिस्सा प्रत्यक्ष कार्यों में खर्च नहीं हो रहा है। मेरे पास सरकारी रिपोर्ट है, मैं उस में देखता हूँ कि बहुत जगह पर कुर्छें बनने थे। कुर्छें तो बने नहीं लेकिन कुर्छों के लिये पैसा दे दिया गया। यह रिपोर्ट मैं लिखा हुआ है। इस प्रकार से योजनायें चल रही हैं।

दिल्ली के अन्दर पार्लियामेंट की भ्राष्ट्रों के सामने जिस प्रकार की बातें चल रही हैं उन को देख कर भी आश्चर्य होता है। मुझे आज ही पता चला कि जर्नलिस्ट्स को यहाँ कमरे दिये जाते हैं। उन में से एक आदमी को यार्क रोड पर एक कमरा दिया गया। उस को लेने के बाद उस ने सबलेट कर दिया। सबलेट करने के बाद उस कमरे के भ्रातावा उस को दूसरी जगह पर कमरा दे दिया गया और यह कमरा दूसरे को दे दिया गया। मुझे यह देख कर अचम्भा हुआ कि जो जर्नलिस्ट राष्ट्र के सामने आते हैं उन के द्वारा यह हो रहा है। चूंकि आज ही यह चीज मेरे सामने आई है, इस लिये मैंने इस को आप के सामने रख दिया। इस बजट के विषय में मुझे इतना ही कहना है कि आज जिस प्रकार से आप काम कर रहे हैं और जिस प्रकार की चीजें हो रही हैं . . . . .

**Mr. Speaker:** Then hon. Member must conclude now.

श्री बी० जी० देशपांडे : सदन की इच्छा मेरा भाषण सुनने की होते हुए भी समय कम होने के कारण मैं समाप्त करता हूँ ।

### REPORT OF JAUNDICE ENQUIRY COMMITTEE—*Concl'd.*

**Mr. Speaker:** The House will now take up the discussion of the report of the Jaundice Enquiry Committee. Shri Altekar. I will give hon. Members each five minutes.

**Shri Altekar** (North Satara): Mr. Speaker, in order to appreciate the position, we should have a picture of the water works and the Najafgarh Nalla. The water works are situated on the upstream side of the city and the Najafgarh Nalla joins the Jamuna river at a distance of about 700 ft. below. This Nalla carries all the rain water and a good deal of sullage and sewage and therefore the waters of the Jamuna are contaminated and it is at so near a place which is only 700 feet below from the intake point.

Now, a suggestion that has been made by the Committee is that immediately the flowing in of this filthy water should be stopped from going into the Nalla and its only function should be what was intended by nature that is that should be a natural drainage for rain water for a catchment area of 200 sq. miles. Therefore, I would like to know whether the Health Minister is taking immediate steps to stop filthy water from flowing into the Nalla.

The next point that is suggested is that there should be some arrangement by which the waters of the river will be going towards the pumping point and that as they are receding towards the other shore, immediate steps should be taken after consulting the Director of Research, Water Works at Poona and that this should be immediately done. I understand that he was here a week ago and he gave some suggestions. Then again the Committee suggest that an anicut should be built across the river so that the level of the river water would be raised and that there would be no sort of suction taken from the Najafgarh Nalla because it would then not affect the intake point.

Another point that is suggested by the Committee is that for the growing population of Delhi, there is a necessity for another alternative reservoir and they suggest that it should be from the Hinden river which is about 10 miles from this place and that its waters are in no way contaminated by filthy water and this arrangement should be taken in hand and the idea of developing the station at Okhla should be given up. In order that water should be carried to Delhi over the Jamuna a new bridge that is to be constructed should have provision made to carry two main pipes of 48" diameter so that it will give pure water to Delhi.

These are the most important suggestions that are made and what has to be done immediately is to see that no filthy

water should, at any rate, join the river Jamuna and it is inhuman that human excreta should flow into the river and there should be no idea of diverting the course of the Nalla say about 2,000 feet downstream, because, the water I would be coming towards the bathing ghats and people would be equally affected by it. The first and foremost thing is that the Najafgarh Nalla should in no circumstances carry filthy water in it. That is the most important and immediate step that should be taken and before June 1956. They suggest that the completion of the work of not allowing to discharge any filthy water into that Nalla should be done before the rainy season. If it is not done before the next rainy season, then what would happen is the same old thing will repeat and Delhi would again be exposed to the grave danger. Therefore, what is now to be done is that these important steps that are suggested by the Committee will have to be undertaken. I submit that these things should be taken into consideration immediately and any sort of discharge into that Nalla should be stopped.

It is said that it is not possible to do all these things in a very short time. If it is so, at the rate, separate drains should be there for the water of sullage and sewage, and that these sewage and sullage waters should be given to the fields in Delhi, and that can be done in two places as suggested by the Committee. That is the most important point if this capital city of India is to get pure and fresh water. Every step must be urgently and immediately taken and all other considerations should be laid aside and this should be regarded as the first and foremost problem.

**Dr. Suresh Chandra** (Aurangabad): Mr. Speaker, I do not want to go into what has been said in this report and also into the recommendations because the recommendations are before the House, and also before the Ministry. I would like to say only certain things. First of all two things come. One, who was responsible for this contamination of water or for making the population of Delhi drink half sewage and half water for several days? The second, what we should do in future.

It has been said here by some hon. Members that it is no use apportioning the blame on officers or on the Ministries. I feel that if one goes through the report, it will be very clear from the report that no officer, neither of the

[Dr. Suresh Chandra]  
Health Ministry nor of the Central P.W.D. nor of the Defence Ministry has realised his full responsibility with regard to this matter.

In one place in the report it has been pointed out that Mr. Katwalla should have seen the results of the chemical analysis on the 11th November. Then, it also says that the Committee is constrained to point out that Mr. Katwalla said that his responsibility started only from the time the water reached the intake point and that the maintenance of the intake channels and of the river was entirely the responsibility of the Central P.W.D. In the same manner, Mr. Sen Gupta, the Executive Engineer of the C.P.W.D. who was in charge of the Water Works Division categorically denied responsibility for maintaining the channels and for deciding the nature of the work. We also see from the report that the Engineer-Secretary has asked for the help of the Defence Ministry and that he had said that for several years it was the Defence Ministry which was responsible for digging the canals and saving water from contamination and the Defence Ministry's help was called and the Defence Ministry did not come to his help. As has been pointed out, it was only after a long time that a bulldozer was sent and that also got stuck up in the mud. In any case, whatever might have happened to the bulldozer, you will find after going through this report that the officers of the Defence Ministry failed in their duty to help in the digging of the canals. I know the Minister is not agreeing with that, but it is very clearly stated in the report.

Another point which is very important is this. There has been no co-ordination whatsoever between the different Ministries. They have been shifting responsibility from one to the other. I feel that it is a criminal negligence on the part of the officers that more than 40,000 people have suffered from this epidemic. It is very easy to say that it is not a matter for this Ministry or that, but for those who have lost their lives, the responsibility lies with the officers and the people who were at the time in charge of these departments. It is no use saying that this did not happen or that did not happen or putting forward such excuses. The fact remains that in this modern city, capital of India, where so many high dignitaries come and so many foreigners come, we supplied half urine, that is, half sewage and half water. This is a matter of disgrace

and shame for all those who have been in charge of the departments.

This report of the Committee is not enough. I demand another enquiry, a full-fledged enquiry, into the conduct of the officers who were in charge of these departments at that time—all the three or four Ministries who were responsible for this.

Another thing which I would like to say is this. The Committee has recommended that there should be a unitary authority to control water and other civic matters. This recommendation must be implemented as early as possible.

I have nothing more to say. But I feel again that some responsibility must be fixed on those people who were in charge so that this thing may not be repeated. It is no use saying that the blame has to be apportioned. I do not want to apportion blame. After all, this thing has happened. It has happened also at another place in our country, at Bombay. Today's paper says that a decomposed body was found in the water duct in Bombay. It has been said that it is something unheard of in the world. It is no use saying that this virus could not be controlled by the authorities. There are remedies for it. The Health Ministry and the Government knew since 1947 about the existence of Najafgarh Nalla; they knew very well that new colonies were coming up; they knew also that sewage was getting into the water and also that this Nalla was there and 700 feet downstream the water reservoir was there. It has been stated very clearly in the report, and if one reads it carefully, he will find that Government knew about this even on the 4th November. In any case the danger of contamination has been admitted in the report since 1947. I would like to know that steps the Government have taken and the officers of these departments have taken in the matter when they know definitely that sewage was getting into the water. Therefore, something must be done. I do not consider that a Parliamentary Commission is necessary, but a further enquiry must be held so that such a thing may not be repeated in this country.

**Shri V. P. Nayar** (Chirayinkil): I have very carefully read this report. There is not the least doubt that all the authorities are collectively to blame. The Delhi State Government is responsible for that the Joint Board is responsible for that; more.

than anybody else, the Central Government is also responsible for that. What I am amazed at the conduct of the Government is that when the epidemic was taking a very heavy toll, as reported in all the papers, the Government of India chose to come before the public and issue a Press Note, one of the most foolish Press Notes I have ever seen. After hundreds and thousands of people have had this attack, the Government of India comes forward and tells the people—I am reading from the Press Note of the 5th January—that the outbreak on the whole has been relatively mild and the total reported dead till January 4 was 22. It would appear that the Government regret that the attack was mild and only 22 people died. It is not a very small matter. Four lakhs of people were infected and if all of them did not get visible symptoms of infective hepatitis, it was because they had some power of resistance. In Madras when there was a jaundice epidemic, there were more cases of deaths. The proportion was even more, naturally because down in the South the comparative resistance of the people is poor due to their conditions of nourishment. It is idle to contend that because the seeds of infective hepatitis were available for transfer from people to people and because the Najafgarh Nalla was not kept in proper order, it had resulted in this. This is a cruel joke. I was reading this report. What is worse is this. You will find that all possible and known methods of decontaminating the water were not adopted with as much care as possible. In the report you will find that what little control they exercised, chlorination or dechlorination or any other process, was not capable of ensuring any viral purity—it was the doctor's report. The virus was there. The contamination by bacteria may have been prevented. But, you read the report. I think almost every man who knew anything about public health engineering would agree that this process will not result in annihilating virus. The Press Note of the 5th January says that this process, that is chlorination, dechlorination and every other process, has normally existed and is sufficient to destroy the virus of ineffective hepatitis. I ask: could there be a better way of misguiding the people? The Government Press Note starts by saying that the infection is mild. The people were really panicky; Press reporters went to the place and here I hold a paper in my hands which states that on the 4th January, Mr.

Cohen, correspondent of a very respectable

paper, visited the spot and there he found that carcasses of dead animals and other filth were still lying on the sandy Jumna bank only a few hundred yards from the water works. Only this week I was told by a Press correspondent that he had taken photographs even as late as 4th or 5th January 1956, the day on which the Press Note was released. One found the dead bodies of animals a few yards from the place where water was being sucked. If the Health Minister was not here those days, I can perfectly understand her sympathies. She came back to Delhi and in her Press Conference she blamed, not the Government, not the officials, but she says that part of the blame must be placed on the shoulders of the people. Why? Because of their unclean habits. Again I am relying on a passage of the *Statesman* of the 11th January where the Minister of Health is reported to have said, "She, however, partly blamed the people for not co-operating with the authorities". This is a case of jaundice having taken very heavy toll.

As I go through the report, I find that some of the most fundamental requirements are not being complied with. For example, on holidays there was no chemical analysis of water—Is there any rule in nature that the virus or bacteria will not infiltrate into water on a holiday? It is very specifically said that on holidays there was no chemical examination. Even when there was a chemical examination, the chemical examiner's report has taken five days to reach from one office to another. There is a clear indication that on the 12th November, the chloride content increased from 5 parts to 25 parts per million and on the 15th November; it came to 90 parts per million. What this report says is very clear. Extraneous matter was in the water. Whether it is virus or bacteria is not a matter for the people to know. It is for the public health authorities, the Central Government and the State Government to know. When the chlorine content has gone up, it is a clear symptom of contamination in water. To say that some intervening holidays were there and so the results of the chemical examination could not be communicated—I think it is something which must make every man who took that plea hang his head in shame. It is a case where many people lost their lives and many are still suffering. Delhi has been the distributing centre for this disease. Even on these

[Shri V. P. Nair]

crucial days, you find how the red tape puts hurdles. There was a telephone call from one Ministry to another. Some officer was away from Delhi on a pleasure trip or picnic and another officer was not available. The result is that water was allowed to be contaminated and people were allowed to suffer and die. I only say that this is not a matter for an enquiry like this. I say that every man responsible for this from the highest to the lowest, should be given a sack for this one reason that it has resulted not merely in anxiety but in death of a large number of people.

I understand that many Government servants were forced to be in bed owing of this attack for weeks and months. Especially so is the case of class IV servants who were more exposed to this attack and they had no leave. They did not get jaundice on account of any of their faults. It was only due to the criminal negligence of the authorities that they had to be in bed. When they applied for leave for the period they were actually in bed and when they were certified to have been in bed by the doctors, should not they be granted leave? So, Government should pass an order that all Government servants who are in bed with jaundice will not only get their pay as if they were on duty but also get the entire cost of the treatment which they were forced to undergo due to the criminal negligence of the Government and the subordinate officers.

**Shri Gidwani (Thana):** I shall only invite the attention of the House to page 6 of the report wherein it is said:

"Thus, if the total number of jaundice cases in Delhi is computed as 20,000, and the total number of manifest cases of infectious hepatitis is 40,000, i.e. including fever cases due to this infection but without manifest jaundice, the total infections will be considerably larger; may be five or ten times or even more. Assuming that the ratio is 1 to 10, the total infections are about 400,000 in a total population of 18 lakhs. The size of the epidemic has, therefore, been very considerable indeed."

I am thankful to the committee for giving these figures. Apart from jaundice there are other symptoms of this disease also. There were many people who could not eat, sleep, etc. and there were people who suffered from various other complications during the incubation period when the disease is not manifest. One does not know how many

people have suffered and how many are still suffering and how many people will hereafter suffer. Cases are being reported even now. It is a very serious matter. I do not think that this is enough. This report has given us enough material but I do hold that another important committee may be appointed by the Central Government. The former committee was appointed by the Chief Commissioner of the Delhi State and there were two doctors but both were Government officials. The Delhi Medical Association requested the Government to nominate one of their representatives but I am told that their request was turned down on the ground that the proposal was made too late. This is not a party matter. This is a matter which requires thorough investigation because the damage done is so colossal and great that we want further information on the point.

The other thing is about the military aid. I am sorry to say this. We have all praise for our military but this is what the report says—on page 34:

"Mr. Katwalla was emphatic in his statement that the Army authorities let them down. Mr. Mehta would not certainly go so far. But he said that, if he had received the same spontaneous help from the Army authorities on the present occasion as he did in 1953 and as he hoped he would, the tragedy would have been averted."

I wanted to emphasise these words. If he had received help from the military authorities, the tragedy would have been averted. That means so many people who had suffered immensely would have been saved to much misery and sufferings.

These are matters which require thorough investigation. Therefore, I would suggest to the hon. Minister one way out. There is nothing lost if a committee is appointed. There is no question of prestige. We should be satisfied that we get good drinking water. Thousands of foreigners are living here and so many foreign embassies are here. All should be satisfied that we are taking every care to keep the city clean and give them clean water.

I am told and it also finds a place in the report that Government has received medicines for injection. The doctors, it seems, were asked whether they were willing to undertake to do injections on Rs. 10 per day. Some of them, I am told, refused to do so and they said that they were willing to do this

work free in their dispensaries if the medicines were sent there and the patients were asked to go there. About a lakh of inoculation tubes are there, it seems. I want to know how much of this has been utilised, and also whether the offer of the doctors has been accepted or not.

I would again say that it is not a party matter nor is it a matter of privilege. It is not a matter of Government versus people. It is a human problem and a matter of life and death. We do hope and appeal to her to agree to the appointment of another committee and to see that Delhi becomes free from such troubles.

**डा० एस० एन० सिंह (सारन पूर्व) :** अध्यक्ष महोदय, इस पीली किताब में यह पूरा जिक्र दिया गया है कि किस प्रकार दिल्ली नगर में इस पीत रोग या पांडू रोग का उद्भव हुआ और इसके बाद न सिर्फ भारत वर्ष में बल्कि सारे संसार में बिखेर दिया गया। यह समय गुस्सा करने का नहीं है। यह बड़े दुःख का विषय है। कल जब हमारे भाई नायर साहब बोल रहे थे तो मैं सोचता था कि यह हमारी सरकार का क्या रवैया था। और मैं तो एक बात जोर के साथ कह देना चाहता हूँ कि हमारे सुरक्षा मंत्री अपने सेक्रेटरी को एक अशोक पदक उस के लिये प्रदान करें जो कि उन्होंने किया, और हमारी स्वास्थ्य मंत्राणी जी से मेरा अनुरोध है कि जिन अफसरों ने यह काम किया है उनको काम से कम पदमश्री तो जरूर देना चाहिए क्योंकि यह सारे संसार में एक अद्भुत काम हुआ है। देश और विदेश में इसके कारण हमारा सिर शर्म से झुक जाता है। यह मिसाल सारे संसार के इतिहास में अद्वितीय है। इसके कारण सारे संसार के भागे हमारा सिर लज्जा से झुक गया है। लोग कहते हैं कि यह प्रकृति का प्रकोप था। यह गलत बात है। आप देखें कि इस रिपोर्ट में लिखा है कि :

“One is constrained to remark that the people of Delhi were drinking half sewage and half river water....”

यह सीवेज भी कैसा था। उनको मालूम हुआ कि क्लोराइड ५ पर सेंट से बढ़ कर १२ पर सेंट हो गया। उसके बारे में रिपोर्ट में लिखा है :

“The only sources of chloride was the sewage charged with the urine of man and cattle....”

यह तो आप का रवैया है और जितनाकुसूर

है उसे आप प्रकृति पर मढ़ना चाहते हैं और कहते हैं कि साहब हम क्या करें। हम अपनी जान के लिए इस हद तक आपके सेक्रेटरियों पर निर्भर हैं यह मुझे इससे पहले नहीं मालूम था। मुझे यह नहीं मालूम था कि हम सांस भी आपकी अनुकम्पा के कारण ले पाते हैं। इसके लिए आपको बहुत धन्यवाद है।

जब उनको यह खराबी मालूम हुई तो उन्होंने पानी में ऐलम (फिटिकरी) मिला दिया और कहा कि इस पानी को पीयो और मरो तो अपने भाग्य से और जिम्मे तो अपने भाग्य से, इससे हमें क्या लेना देना है।

6 P.M.

इस तरह की गैर - जिम्मेदारी अगर इन मंत्रालयों में चले तो मैं सिर्फ यही कहूंगा कि अगर उन्हें गांधी जी का ज़रा भी ख्याल हो और ज़रा भी उनकी याद आती हो तो जिम्मेदार अफसरान को शमिदा होना चाहिए और जिम्मेदारी के पदों से हट जाना चाहिये। पानी की व्यवस्था के लिये यह दोनों मंत्रालय अर्थात् स्वास्थ्य मंत्रालय और सुरक्षा मंत्रालय जिम्मेदार हैं और जब डिफेंस सेक्रेटरी से पानी की व्यवस्था ठीक करने के काम में मदद मांगी जाती है और उनको खत लिखा जाता है तो उनका जवाब आता है कि हमारे पास उस काम को करने के लिए आदमी नहीं है। हमारे पास तोपें हैं, बन्दूकें हैं लेकिन आदमी नहीं है और इस तरह वह बात वहीं पर खत्म हो जाती है। इस तरह के महत्वपूर्ण कार्य में जहां कि लाखों इन्सानों के स्वास्थ्य का सवाल हो चिट्ठी बाजी से काब लिया जाता है और टेलीफोन के द्वारा इस मामले को हल नहीं कि जाता। उस पानी की व्यवस्था के ठीक होने ११ दिन लग जाते हैं और ११ दिन तक आप दिल्ली के निवासियों को गंदा पानी पिलाते हैं। मैं अधिक न कह कर सिर्फ यही कहूंगा कि ऐसा वाक्या सारे संसार के इतिहास में और कभी नहीं हुआ। आपने जब यह मान लिया कि वाकई इस तरह की खराबी आई जिसकी कि वजह से दिल्ली में इतनी बीमारी फैली तो आपको उसके लिए जिम्मेदारी स्वीकार करनी चाहिए और जब आप अपने पाप को स्वीकार करते हैं तो गांधी जी के रास्ते को अपनाते हुए यदि आप उस जिम्मेदार के स्थान के क़ाबिल न हों तो चुपचाप वहां से इस्तीफा देकर हट जायें और सिर्फ इतना हि नही बल्कि जिन आदमियों ने यह काम किया हो, उनको भी सचेत हो जाना चाहिए और उनक लिए भी



[डा एस० एन० सिंह]

अच्छा है कि वे अपने पदों से हट जायें क्योंकि यह सब को पता लग गया है कि यह पीलिये का रोग दिल्ली में क्यों हुआ और कैसे हुआ। यही जनता की मांग है कि कम से कम वे अधिकारीगण जो कि पानी की व्यवस्था को ठीक बनाये रखने के जिम्मेदार हैं और बड़ी बड़ी तनख्वाहें पाते हैं, वे उन पदों पर न रहें। ऐसे अफसरान को रख कर के, जो यह नहीं समझते कि पानी में क्लोराइड की मात्रा अगर पांच प्रतिशत से ज्यादा हो जायेगी तो वह स्वास्थ्य के लिए कितना हानिकार हो सकता है और क्लोराइड की मात्रा अधिक हो जाने से कितने लोगों की जानें गईं, में समझता हूँ कि कभी भी जनता का हित नहीं हो सकता है क्योंकि उन्हीं के कारण हजारों लोग बीमार पड़े। इस तरह का शर्मनाक वाक्या इसके पहले कभी नहीं पेश आया था, हमारे इतिहास में इसके पहले घटित नहीं हुआ था और में समझता हूँ कि संसार के इतिहास में भी ऐसी घटना घटित नहीं हुई होगी। आप अपने अधिकारियों को उनके अच्छी तरह काम करने के लिए स्वर्ण पदक दें, अशोक चक्र प्रदान करेया और भी तरह से उनको पुरस्कृत करें, मुझे उसमें कोई आपत्ति नहीं है लेकिन इतना निवेदन मेरा जरूर है कि अगर वे गांधी जी के मार्ग के अनुयायी हैं तो उन्हें उन जिम्मेदार अधिकारियों को उन पदों से छुट्टी ले लेनी अथवा दे देनी चाहिए।

**The Minister of Defence (Dr. Katju):** Mr. Speaker, very many unkind things have been said about the army authorities.

**Shri Kamath:** Not 'unjust' if 'unkind'.

**Dr. Katju:** Sir, I do not want to take more than five minutes and would ask for a little indulgence.

No one can be more sorry or aggrieved than I as to the results but let us not mix up what has now been discovered or what happened afterwards with the position on the date when it happened. So far as the Army is concerned, it is not its responsibility to conduct water works and all that. The responsibility of the Army is to go to the rescue or to respond to the call of the civil authorities whether it is for maintenance of law and order or for meeting any emergency. I say with pride that the record of the Army in this respect has been great. In the Punjab, a few months ago, there were floods. You go and see what they did. You go to Orissa where, again, there were floods. The Orissa Government has said that they did their job well. My

hon. friends here have read from the Report one sentence here and one sentence there. In the first place I am not apportioning blame to anybody—this Committee consisting of great public health authorities and a retired Judge has pointed out that at first no one ever apprehended contamination. What they were trying to protect against was shortage of water supply. The Jamuna was changing its course and therefore, they were apprehending that water may not find its way into the water works.

On the 6th of November a letter was sent to the Defence Secretary saying: "Please give us some help in order to make or cut a canal". To that an answer was sent on the 8th or 9th. Now, I do not want to take much of your time, Mr. Speaker, by reading it. The contents of that letter are quoted at page 26. Three reasons are given there: firstly, that our engineers are not here and, therefore, it will take time which will involve some delay; secondly the nearest place from where we can get machinery is Gwalior and thirdly, the Secretary said: "I have come to know that the Central P.W.D. has got all the equipment and so, please approach them."

**Shri V. P. Nayar:** That was on the fourth day.

**Dr. Katju:** So far as this letter is concerned, at page 34 of this Report, paragraph 73, the findings of the Committee are given. This is not my argument but it is the finding of the Committee which says:

"The letter of the Secretary to the Defence Ministry gives cogent reasons...."

I emphasise "gives cogent reasons..."

**Dr. Lanka Sundaram** (Vishakhapatnam): May I interrupt you? Why don't you quote the paragraph where they have said that they are short of men and machinery?

**Dr. Katju:** I would request the hon. Member to please sit down for a moment. The Committee goes on to say:

"..... why the Army authorities could not come to the rescue of the Joint Water and Sewage Board earlier than they did. The Committee is satisfied that no blame can be attached to the Army authorities."

Then afterwards, on the 12th of November—there was a telephone message. As soon as we got it we set to



work. I have read the evidence and I have read all the relevant papers. By the earliest possible time—on the 15th—we went there. We sent the machinery and we sent our jawans. There were about 100 in number. They worked there night and day. Everybody has quoted that the bull-dozer got stuck as if there was only one bulldozer. There were four bulldozers. My respectful submission is this. Supposing you go in a motor car and the motor car breaks down, that is not the fault of anybody who keeps the car. This bulldozer, I am told was actually operating for the whole night and after about 12 hours' work it got into the mud and got stuck in the mud. It did not break down. It was pulled out and it began functioning. Then the second bulldozer arrived, the third bulldozer arrived and fourth bulldozer also arrived.

My only point is this: Something horrible happened; I realise that. But, it has now been discovered that the contamination may possibly have occurred either between the 10th and 16th of November or the Committee says it may have occurred earlier and the results began to be apparent after the period of incubation—which period was about 30 days. Therefore, about the middle of December, jaundice cases began to occur and we all know what actually happened. My suggestion is that the hon. Members who are trying to apportion blame should not do so by the subsequent events. They should place themselves in the position of the persons, whose conduct they are considering, on that date, the 6th of November. On the 8th of November, the Secretary, Defence Ministry, wrote that letter and he immediately sent a copy of that letter to the sister Ministry dealing with Central P.W.D. He said: "This is what I have written. Will you kindly communicate with them?" That is all that I have got to say. The Army laments what happened but where is the Army to blame in this matter? I am trying to answer my hon. friend Dr. S. N. Sinha. If my resignation will promote the purity of water there is no harm, but the Army is not to be blamed.

**Dr. Lanka Sundaram:** How long would it take to bring equipment from Gwalior to Delhi?

**Dr. Katju:** It will take two days. The engineers were not there. They were working in NEFA. My hon. friend, Dr. Lanka Sundaram, pretends to be all wise. We know he is a very wise man, but it is no use putting this question today. No one knew of the emergency of

the matter on the 6th or on the 8th November. We are now applying the knowledge that we have gained from reading this report. So, to say now that this thing could have been done or that thing could not have been done is not correct.

**Mr. Speaker:** The hon. Minister of Health.

**Shri Mohanlal Saksena** (Lucknow Distt. cum Bara Banki Distt.): *rose*.—

**Pandit Thakur Das Bhargava** (Gurgaon): Five minutes for each Member were allowed.

**Mr. Speaker:** Yesterday, I said that 20 minutes will be allowed to the hon. Minister. One hour was fixed for both the Minister and the hon. Members. We found that the time was not sufficient and so it was extended for one more hour. So, even yesterday, I told the House that the hon. Minister would be given 20 minutes. Therefore, it is too late. Enough has been said by now.

**Shri Mohanlal Saksena:** The time may further be extended. It is a very serious matter, and so the time may be extended by at least half an hour. I move that the time be extended.

**Shri S. C. Samanta** (Tamluk): I second the proposal. The time may be extended.

**Mr. Speaker:** I cannot extend the time. Enough has been said. Let us hear the hon. Minister.

**Dr. Lanka Sundaram:** On a point of order. An hon. Member has moved a formal motion that the time may be extended. It was duly seconded by another hon. Member. Please give your ruling or take the vote of the House.

**Mr. Speaker:** I think it is a dilatory motion. I am not going to allow it.

**Shri Mohanlal Saksena:** I should like to put a question before the hon. Minister begins her reply. I do not blame anybody for what happened on the 9th November or 15th November. But the officials knew that there had been contamination or that there might have been contamination, and still, they did not issue any communique saying that, because of that disease which came in the form of epidemic, at least water should be boiled before drinking. At least this instruction should have been given. I may tell you from my experience that very early in December, I was informed

[Shri Mohanlal Saxena]

by one of the homoeopaths that the water got contaminated. Still, the Director of Health Services said that there were only 7,000 cases and added that there might be a "few more cases", where the people might have gone to vairs and hakims. I want to say this: it is not a "few more." It was not 6,000 or 7,000 but the number came to 40,000. At least about 33,000 cases had been dealt with by private vairs, etc. Even the statement that about 7,000 cases had come to notice was issued only after the appointment of the Enquiry Committee. Even on that date, the Director of Health Services said that there were only 7,000 cases. I want to know how and why this statement was issued. It only shows the attitude of the authorities, as well as the attitude of the Health Ministry.

**The Minister of Health (Rajkumari Amrit Kaur):** I rise to reply to the debate with very great sorrow, because no one has been more upset and sad than I have been about this epidemic. Naturally, with my love and sympathy for suffering humanity, I do not want to see any extra suffering ever coming into my picture. I think there is some misunderstanding in the minds of the Members who have spoken as regards the constitution of the Delhi Joint Water and Sewage Board. It is under the Chief Commissioner. There are four members from the Delhi Municipal Committee who are elected by that Committee; one member of the Delhi Civil Lines Notified Area Committee; one member who is a citizen of Delhi. These are all non-officials. Then there is a member who is nominated by the Officer-Commanding, Delhi Independent Brigade. Further there are two persons nominated by the Central Government, namely the Superintending Engineer of the Delhi State, C.P.W.D., and a Deputy Secretary of the Ministry of Finance. Then, by convention, the Health Minister of the Delhi State is always invited to attend the meetings of the Board. The Municipal Engineer of the Delhi Municipal Committee is also invited likewise. Therefore, it is a body on which one places a certain amount of reliance and of which the majority are non-officials.

I have of course listened with very great attention to the speeches that have been delivered by the hon. Members. Many angry things have been said and I do not blame them for being angry, because the situation has been an extremely unfortunate one. The Enquiry Committee's report has dealt with all the

points. I felt that in order to satisfy public opinion an enquiry should be made and I asked the Chief Commissioner, Delhi, to have a committee appointed. I got two of our best sanitary engineers to serve on that committee as well as a retired judge of a high court so as to see that that committee could command public confidence. The Enquiry Committee's report is a very valuable document and I would like to express here my gratitude to the Chairman and members of the committee for so quickly dealing with all the references that had been made to them. Of course many Members have taken sentences out of the report and quoted them which is not always fair. But I think in the report it has been indicated quite clearly that there were circumstances which could not possibly have been anticipated and there were factors beyond human control which led to the outbreak of the epidemic. This point has not been stressed enough or has not been perhaps appreciated by the Members. Again, I do not blame them nor do I wish—I am not that type of person—to shift the blame from my shoulders on to anybody else's, even though I myself am not connected with the Joint Water and Sewage Board officially. But I can say this: whenever any bodies who are in Delhi come to me for help, I take immediate action. It is always very easy to be wise after an event, though in saying so I am not minimising the gravity of the situation in Delhi in the months of December and January. But I would like to ask all of you dispassionately to consider all the relevant facts of the case. There were unprecedented floods in the Jamuna and this great river changed her course quite unexpectedly and receded over 2,200 yards overnight, as it were; with the result that the main stream of water shifted from the west to the east bank, and we were faced with a stupendous problem of maintaining the water supply. Now, emergency measures were taken and you have seen from the report what the actual position of the water supply was in the month of November. The Board was faced with the problem of either stopping the water supply completely for Delhi, which naturally even the committee has recognised was an impossible measure, or to take all possible steps to stop bacterial or such infection as they could. I have to admit that viral infection was really not thought of, because it is not a thing that everybody knows and viral contamination in this instance was the first of its kind that has ever taken place in the world. There again I am not pleading for considering

the unprecedented nature of the events that took place as extenuation for what has happened. But what I say is that we should not easily be led away into making unjustifiable criticism because of the gravity of the epidemic. There were, as a matter of fact, cases of infection even before.

**Shri Kamath:** Please turn to page 21 which says something about contamination.

**Rajkumari Amrit Kaur:** I know there was contamination. But there were cases of infectious hepatitis in Delhi even before this epidemic. There has been a steady rise in these cases not only in Delhi but in many towns of India, and because I was aware of the rise in the whole of India, I had actually asked the Indian Council of Medical Research to carry out research on the problem.

My friend opposite, Shri Kamath, with his characteristic—what shall I say—

**Shri Kamath:** Don't say:

**Rajkumari Amrit Kaur:**—over-dramatisation, on which is part and parcel of him, has exaggerated the mortality rate.

He exaggerated the mortality rate by saying that thousands and thousands of people have died.

**Shri Kamath:** Hundreds.

**Rajkumari Amrit Kaur:** All right, hundreds. All the official records in my possession...

**Shri Kamath:** I do not say official records are lies, but something else.

**Rajkumari Amrit Kaur:** All the records in my possession, and death records are fairly accurate...

**Shrimati A. Kale (Nagpur):** One small child also was a patient.

**Rajkumari Amrit Kaur:** If we take the total number of infections, according to the report, as 400,000, the deaths have been under 100 in Delhi. The incidence of the disease was certainly high but it was mild from the point of view of its severity. Special instructions were issued to the hospitals to admit all cases; not a single case; as far as I know, was refused admission in any hospital in the city. Separate wards were allotted,

If any officials are found to be responsible for this in any way, the Chief Commissioner is enquiring into everything and it is within his right to take any action. But in my opinion, many things like this can happen without anyone's fault but it is a pointer to the unsatisfactory state of affairs that exists. There is no doubt in my mind—the criticism has been made by several Members—that the diversity of authorities dealing with civic and other problems in Delhi is one great reason for the lack of co-ordination and for the fact that it is difficult to assign responsibility....

**Dr. Lanka Sundaram:** How do you propose to stop it?

**Rajkumari Amrit Kaur:** I am divulging no secret; ever since I have been Health Minister, I have tried and tried to have a single authority to deal with this evergrowing and complicated problem of Delhi; and, if I have not succeeded to the extent that I wanted or that I consider necessary, it is not for want of endeavour. After partition, refugee colonies sprang up and sprang up—in spite of my advice, unfortunately—haphazardly and indiscriminately with no proper drainage and sewage arrangements.

It is perfectly true that this Najafgarh Nalla, about which we have heard so much, was always meant to be a storm water channel; but it was made to serve as a sullage canal, with disastrous results. This has rightly been pointed out by this committee. But now, the point is primarily what steps are to be taken to see that such a thing does not happen again. I have asked for the services of Shri Modak of the Bombay Corporation to advise me on the immediate steps to be taken.

**Dr. Lanka Sundaram:** Am I to take it that there is to be no unified control now?

**Rajkumari Amrit Kaur:** As far as the water question is concerned, there must be speedy and expeditious action and I am doing the utmost in my power to go ahead with it. Action has already been taken to divert the sullage from the Najafgarh Nalla by the provision of outfall sewers and to erect treatment plants at a cost of Rs. 1.4 crores west and north of Delhi. These works will be carried out expeditiously.

I entirely agree with my friend Dr. Lanka Sundaram; he has made some very valuable suggestions regarding changing the location of the Wazirabad pumping station. He said it should be

[Rajkumari Amrit Kaur]

shifted further upstream. This matter has already engaged my attention and I would like to associate him with the discussions on the subject. In fact, I would like all Members of Parliament who are interested in what is being done to come to my Ministry and talk those things over with me to see what we are doing.

**Pandit Thakur Das Bhargava:** The Ministry was not accessible for three days; Rome was burning and the Ministry was fiddling.

**Rajkumari Amrit Kaur:** My Ministry is not even connected with it. I cannot do anything until I am told that the water is contaminated. Can I? The moment it came to my notice, I took immediate action. On that very day I had a conference with all the persons concerned with it.

**Dr. Suresh Chandra:** When did it come to your notice?

**Rajkumari Amrit Kaur:** The news about contamination came to my notice on the 15th. At once I summoned a conference.

As far as the analysis of the water is concerned, some Members asked, "when the percentage of chloride content was found to be high, did they not suspect that the water had been contaminated?" There was evidence of chloride but none of nitrates or nitrites and therefore, they hoped that there had been no contamination.

I am perfectly willing to admit that it has been a very very unfortunate situation. I agree with my friend Shri Krishnan Nair, that apportioning blame is not a wise thing to do when sometimes circumstances get the better of one. I can assure the House that if anybody has been wholly negligent, we should see that he is dealt with and we have to put the position right, so that in future nothing of this kind can happen. I can assure the House that already I have taken such actions as I can on the recommendations of the committee; I wish to go still further and see what can be done in order to improve the position. I remember how in order to see that there was no bacteriological infection of the water we were working night and day with the Defence Ministry at our elbow. I would like to join with my colleague, the Defence Minister, and say that no particle of blame attaches to the Defence Ministry. The moment they said that their personnel were not here, we at once got

the C.P.W.D. machinery, but unfortunately that did not work satisfactorily. Therefore, the very next moment we appealed to the Defence Ministry again and they sent their people at once and they were working night and day. When this very responsible committee says that there were very cogent reasons why the army could not come at first and also that they are in no way to blame, I think the House should accept that finding.

**Shri V. P. Nayar:** Did not the Defence Ministry take four days to reply to your Ministry's letter asking for help?

**Dr. Katju:** No.

**Rajkumari Amrit Kaur:** No; they replied at once.

**Shri V. P. Nayar:** Your Ministry's letter is dated the 5th and the Defence Ministry's reply is dated the 9th.

**Rajkumari Amrit Kaur:** My Ministry's letter may be dated anything; my Ministry does not work always by correspondence. We telephoned to the Defence Ministry and we immediately got the reply that their personnel were not here. Then we went to the C.P.W.D. and with all the equipment that they had, we went ahead. I would like to say this: if the water could have been pumped successfully with the machinery at our disposal quickly enough, there would have been no contamination. It was only because the channels that were built up with the machinery at our disposal broke down that we could not pump out the water and the water from the Najafgarh Nalla contaminated the drinking water. I am very sorry about it and I can only apologise to this House for what has happened. As far as my own Ministry is concerned, we did what was in our power the moment we were apprised of the situation and I will continue my efforts to see to it that these things do not happen again and that the Delhi public does get the water that it needs. I also agree that sullage and sewage should not go into the river—this question was raised on the floor of the House some time ago—because our people go and bathe in the Jamuna. I have been time and again asking people not to bathe in the river because I feel that because of the lack of proper drainage and sewage this water is not pure. Even today there is another drain near Rajghat where sullage goes into the river. I do not like it. I want to take

precautions against it. Something may be evolved whereby sewage plants, which will make the sullage innocuous, are installed or the sewage is diverted into other channels. I have gone into the question of sub-soil water. That is so contaminated that I cannot possibly use it. We have been exploring every avenue. We have been sanctioning money for the necessary works. I would once again assure the House that I will do whatever is in our power and I will take the members of the House into confidence at every turn. But I would ask them to help me to find out how we can best battle against the problem, which is a very big one. I repeat it is not a small problem. Facilities for drainage and sewage and the equipment necessary for it have not gone up *pari passu* with the increase in population and the enormous number of people that are coming in and with the amount of drainage and sewerage that is necessary to cope with the sanitation of Delhi. My friend Mr. Nayar, has talked about a press conference that I gave. But again, as I said, a remark that I made was torn out of . . .

**Shri Kamath:** Must have been misrepresented!

**Rajkumari Amrit Kaur:** It was torn out of its context because I said infective hepatitis comes not only from contaminated water but also from contaminated food. And when I ask the public to co-operate with me as far as not eating contaminated food is concerned, I do not get the co-operation that I need. Sir, I would not like to take much more time but I would request the members of this House to recognize that it was a very difficult situation and circumstances beyond our control were responsible for it and I apologize for this epidemic having come. But I also plead with them to help me to see that such things do not happen again.

**Dr. Lanka Sundaram:** Can I have an assurance from the Minister that she will take up at the Cabinet level the question of creating one unified authority for this matter, cutting across constitutional, procedural and other tangles?

**Rajkumari Amrit Kaur:** I have already taken up this question. Now there has been an interim development authority formed which is seeing to all things of

this nature. The other question—the States reorganisation—will come up shortly. But as far as water is concerned, I can give an assurance to the Members that this will be the Centre's responsibility.

**Shri Kamath:** On a point of information. What action is being taken against the officers or authorities who have been proved to be grossly negligent by the Committee? What action has been taken?

**Rajkumari Amrit Kaur:** As I said at the beginning before I began addressing the House, that matter is before the Chief Commissioner, who is the Chairman of the Joint Water and Sewage Board. It has nothing to do with my Ministry and I am not responsible.

**Shri V. P. Nayar:** He is also responsible.

**Pandit Thakur Das Bhargava:** I want an assurance that if there are emergencies and calamities and the matter is very urgent then the Secretaries and Deputy Secretaries and the Minister herself would be accessible to those who want their help and guidance in overcoming them. In this case, on page 27 the whole thing has come out. I want an assurance that they will all be available.

**Rajkumari Amrit Kaur:** I am in my office on every holiday. I am never absent. The chemical analysis is done in the laboratory. It is not under me: It was a question of the chemical analysis not being done because of holidays.

**Pandit Thakur Das Bhargava:** The Secretaries are not available.

**Rajkumari Amrit Kaur:** That is not so.

**Shri V. P. Nayar:** Your Ministry, the Health Ministry.

**Rajkumari Amrit Kaur:** In my Ministry somebody or other is always approachable on every holiday.

**Pandit Thakur Das Bhargava:** Then the Report must be wrong.

6-36 P.M.:

*The Lok Sabha then adjourned till Half Past Ten of the Clock on Wednesday, the 14th March, 1956.*

[*Thursday, 13th March, 1956*]

## COLUMNS

## COLUMNS

PAPERS LAID ON THE  
TABLE . . . . 2381

- (1) A copy of the Statement regarding police firing at village Nachou (Manipur), in pursuance of an undertaking given on the 17th February, 1956. .
- (2) A copy of each of the following Central Excises Notifications under section 38 of the Central Excises and Salt Act, 1944:—
- (a) Notification No. 2-CER 56, dated the 1st. March, 1956.
- (b) Notification No. 1-CER/56, dated the 3rd March, 1956.

MESSAGES FROM RAJYA  
SABHA . . . . 2381-82

Secretary reported the following two messages from Rajya Sabha:—

- (i) That at its sitting held on the 9th March, 1956, Rajya Sabha had agreed without any amendment to the Voluntary Surrender of Salaries (Exemption from Taxation) Amendment Bill, 1956, passed by Lok Sabha on the 18th February, 1956.
- (ii) That at its sitting held on the 9th March, 1956, Rajya Sabha had agreed without any amendment to the Capital Issues (Continuance of Control) Amendment Bill, 1956, passed by Lok Sabha on the 28th February, 1956.

CALLING ATTENTION TO  
MATTER OF URGENT  
PUBLIC IMPORTANCE . 2382

Shri Jogeswar Singh called attention to the situation arising out of the invalidation of Manipur Foodgrains (Movement) Control Order, 1951.

The Minister of Agriculture made a statement in regard thereto

## BILLS PASSED . . . 2382-

- (1) Appropriation (Vote on<sup>86</sup> Account) Bill
- (2) Appropriation (Railways) Bill
- (3) Appropriation (Railways) No. 3 Bill
- (4) Appropriation (Railways) No. 4 Bill
- (5) Appropriation (Railways) No. 5 Bill

GENERAL BUDGET—  
GENERAL DISCUSSION 2386-

General Discussion on the<sup>2504</sup> General Budget, 1956-57 was commenced. The discussion was not concluded.

DISCUSSION ON REPORT  
OF JAUNDICE ENQUIRY  
COMMITTEE . . . 2504-

Further discussion on the Re-<sup>26</sup>port of Jaundice Enquiry Committee, raised by Dr. Ch. V. Rama Rao on the 12th March, 1956, was continued. Rajkumari Amrit Kaur replied to the Debate . . . .

AGENDA FOR WEDNESDAY,  
14TH MARCH, 1956 —

Consideration and passing of Appropriation (Railways) No. 2 Bill and General Discussion on General Budget.